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### **NEWS SUMMARY**

### OND SERVIO

### Winter Atlantic air fares agreed

Airlines flying the North Atlantic route have agreed to raise first class and economy fares 12 per cent and launch a cut-price \$373 fore between London and New York, Standby fares will be dropped for

The agreement avoids a fares war which had seemed possible between member sirlings of the international Air Transport Association flying the route. Page &

#### **Awacs** leave

Two U.S. Awacs surveillance air-craft sent to North Africa to monitor fighting in Chad are being with-drawn, the U.S. State Department announced. Earlier story, Page 4

#### Swiss postponement

Party leaders in the Swiss lower house of Parliament decided to shelve until after the elections on October 23 discussion of a govern-ment proposal that Switzerland should apply to join the United Na-

#### Argentine verdict

An Argentine military investigative commission has concluded that the three-man junta which started last year's Falkland Islands War demonstrated incompetence and should be court mertialled.

#### Polish expulsion

103-1 IET- 14 531-1 IEH- 20-125-4 IEH- 10-24-4 IEH- 10-531-1 IET- 31-551-1 IET- 31-Poland has expelled a French soman who it says was working for the CIA, after she was caught with "propaganda" malerial apparently meant for Ukranian dissidents.

#### Philippines denial

200 See See 200 See 20 The Philippines denied Japanese press reports that opposition leader Benigno Aquino was shot by mili-tary men and not by the civilian officially identified as the killer Embarrasment for Marcos, Page 4 

#### Angolan war risk

A senior United Nations official, in Cape. Town for the secretary gen-eral's talks on Namibin with South Africa, said continued success by Pretoria-backed rebels in Angola could cause a Cuban counter-offensive and risk a full-scale war.

#### Ugandan aid danger t 🎰, and but et ein steinensamit.

Foreign relief workers helping about 10,000 displaced people north about 10,000 displaced people north of Kampala are in danger because the area has not because the area has not been pacified by government troops, according to a warning letter apparently signed by a top Ugandan guerrilla leader.

War arms found

West German nuthorities found a
buge Second World War arms buge Second World War arms cache, including 6.5 tonnes of live artillery shells a busy railway line. artillery shells a metre beneath n

#### Healthy discretion

Mothers can breast-feed discreetly on Belgian buses, the country's Communications Minister told a senator who protested that a nursing mother was ordered off a bus in Ghent

#### Briefly . . .

Company. Limits the bombing of a bank in Orio, northern Spain yesterday.

Five Dutch people, including a child, died in a light aircraft crash near Interlaken, Switzerland.

Peking authorities staged a mass specimes small specimes small period.

Dow BANKING Corporation of Zurich, has signed a joint-venture agreement with MBF Holdings Berbard, of Malaysia, to co-operate in the Agran and Pacific. inery Corporate

execution of 30 murderers and rap-Reyards Corporat

#### BUSINESS

### **Brazil** clears IMF debt hurdle

 BRAZIL appears to have over-come a major hurdle in the way of its new debt relinancing pro-grammes with the reported approval by the munaging director of the In-ternational Monotary Fund of the outline technical agreement reached by Brazil with the fund two weeks ago. Page 5. Yugoslavia has puld \$1.9bn in interest and principal due this year on its large for-

eign debt, clearing the way for it to sign a \$2bn rescheduling agree-ment with commercial banks in New York. Page 28 • LONDON: the FT Industrial Ordinary Index finished 16.4 down at

724, its biggest one-day fall since September 1961. Gilts remained aloof to the equity markets troubles. Report, Page 21, FT share iniormation service, Pages 22-23



WALL STREET closed 10.26 down at 119239, Page 17. Full share listings Pages 18-20

TORYO: the Nikkel Dow Index lost 34.57 points to 3.169.18. The Stock Exchange index was 2.1 down at 680.30. Page 17; leading prices; other exchanges, Page 29

• DOLLAR rose to FFT 7.9275 (FFT 7.012). 7.915), to SwFr 2.141 (SwFr 2.14) and

to Y243.3 (Y242.95). It was un-changed at BM 2.6325. Its trade-weighted index was 127.2 (127.5). In New York it closed at DM 2.5397; 7.9375; SwFr 2.1465 and Y.43.55. Page 27

• STERLING finished unchanged against the dollar in London at

\$1.529 and stayed at SwFr 3.275. It improved to FFr 12.115 (FFr 12.1) and to Y372 (Y3715), but tell slightly to DM 4,025 (DM 4,0275). Its trade-weighted index was 85.7 (85.8). In New York sterling closed at \$1,5205. Page 27

• GOLD rose \$1 an ounce in London to finish at \$425.625. In Zurich gold finished at \$427.5 (\$423.5). in New York the Comex August settle-ment was \$425.2 (\$425.7). Page 26

O PORTUGAL's current account improved in the first quarter of this year to a balance of payments deficit of \$668m, compared with \$1.086bn in the first three months of 1983. Page 3

• TI RALEIGH, Britain's dominant bicycle maker, announced plans to axe 600 jobs as part of a modernisation programme. Feature, Page 8 • THE HONG KONG and Shanghai Banking Corporation announced net profits of HKS 964m (\$1.29m) for the six months to June 30, 8.6 per cent up on the same period last

 BUEHRMANN-TETTERODE, the Dutch printing machinery, pa-per and wholesaling group, in-creased its earnings by 72 per cent for the first half of this year to Fl

6.4m (\$2.1m). Page 11 BILLERUD, the Swedish pulp, paper and packaging group, is to acquire a 49 per cent interest in the Basque separatists are suspected of manufacturing plant of Walter Durbeck, a private German paper and plastic sack company, for an unspecified sum.

expansion in the Asean and Pacific

#### BANCAL TRI-STATE REJECTS HIGHER WELLS FARGO BID

### Californian bank accepts \$282m Mitsubishi offer

BY WILLIAM HALL IN NEW YORK AND JUREK MARTIN IN TOKYO

BanCal Tri-State, the San Francisco-based banking group in which France's Baron Edmond de Rothschild has a 30.3 per cent stake, has accepted a \$282m takeover bid from Mitsubishi Bank Japan's third biggest bank, after rejecting a slightly higher offer from Wells Fargo, California's fourth biggest banking

Hancal Tri-State operates the was set to expire on Monday even- BanCal's board, but several men Bank of California, the oldest federally chartered bank on the U.S. West Coast. For historical reasons, it is one of the few banks permitted to operate in more than one state. It has branches in the states of Washngton and Oregon as well as California and has consequently been long regarded as n potential takeover candidate.

BanCal Tri-State said yesterday that it had been bolding discussions with Mitsubishi for a time and was on the point of finalising the deal when Wells Furgo made a takeover approach on Monday morning. Mitsubishi is offering \$50 a share and Wells Fargo yesterday raised its bid to \$53 from the \$52 it had of-

fered on Monday evening. BanCal Tri-State said yesterday that when Wells Fargo first approached it, it was to discuss a possible offer with several conditions attached. As a result, the directors

ing. They said they felt justified in doing so because the Mitsubishi offer provided a greater certainty of consummation and was in the best interests of BanCal's shareholders lower bid. and employees.
Wells Fargo expressed astonish-

ment yesterday at the turn of events. It said it had bed informal discussions with the regulators and these indicated that its proposal would receive very favourable sup-

Mr Carl Reichardt, Wells Fargo's chairman, said yesterday. The fact that the BanCal hoard would accept an offer from a foreign organisation over n higher offer from a neigh-bouring banking company that shares its long history of service to business and consumers in the Western U.S., n history that dates back to California's gold rush days, is shocking to us." is shocking to us."

It was unclear whether Wells Farof BanCai unanimously agreed to accept the Mitsubishi offer, which

bers of the investment community in San Francisco and New York said they were mystified as to why BanCal should have agreed to a

BanCal, which has assets of \$4bn and 37 offices, has had a chequered history and is in the process of slimming itself down by disposing of most of its branches. When it has completed the sale of 18 Branches to Bank of Tokyo's Californian sub-sidiary later this year it will be left with only 15 offices, compared with a network of 77, five years ago.

The Californian banking market Is the biggest in the U.S. but it is extremely competitive and many of the smaller banks are being squeezed by competition from the market leaders, Bank of America, Security Pacific and First Interstate Bank. In an effort to improve its profitability, which is among the

Continued on Page 10

### U.S. and Japan forecast to lead growth in 1984

BY MAX WILKINSON, ECONOMICS CORRESPONDENT, IN LONDON GROWTH OF output will accelerate . cept Japan in the final quarter of wages running at only about 5 to 6

in most of the world's major economies next year; the National Institute of Economic and Social research, a leading UK forecasting body, says in its latest review pubhished yesterday.

Countries with fastest growth are expected to be the U.S. and Japan, although higher interest rates resulting from big budget deficits are expected to restrain growth in the U.S. towards the end of 1984. Even so, output in both Japan and the U.S. is expected to be 4 per cent higher in 1984.

In the UK, however, the institute predicts that growth will slow to 1.7 r cent next year, after picking up to 2.3 per cent this year. The turn of the year was un-

doubtedly also a turning point for some decline in North America. the world economy, it says. In the in all seven major countries com- jor countries, with the annual inpared with a fall in all countries ex- crease in hourly manufacturing

per cent in the early months of the year. The institute predicts n fur-ther slowdown in this area. It notes, however, an increasingly marked contrast between the rapid recovery in the U.S., where growth However, the recovery of comreached an annualised rate of 8%

pects in the UK and Japan are somewhere between the two. The institute does not expect the revival of the world's economics to be vigorous enough to make much impact on the global rate of unem-ployment before the end of next

Unemployment in the Organisation for Economic Co-operation and Development (OECD) countries re-mained at just under 9 per cent of

the total labour force throughout the first half of the year, in spite of The rate of wage inflation continfirst quarter of the year, output rose ues to slow down in most of the ma-

modity prices - apart from oil - is per cent, and the near-stagnation in expected to contribute to a some sumer price inflation in 1984, which is expected to be about 5.8 per cent for the OECD countries compared

with 5.4 per cent in the current The institute identifies two main shadows over the future prospects for the world economy: the familiar anxieties about the effect of large

U.S. hudget deficits on interest rates, and the linked problems of many Third World countries in ser vicing and repayment of their debts to Western banks In the U.S. the institute says the

question overhanging immediate future is what will happen to mone-Continued on Page 10

### Pressure for U.S. embargo on Libyan energy project

BY TERRY DODSWORTH IN NEW YORK

the conflict in Chad appears to be reports of the inter-departmental throwing up further problems over conflicts yesterday. But Sofec. Even before the Chad conflict, the its trade embarge policies only days which would be operating as part of U.S. had adopted a relatively tough after it softened its approach to an Italian-led consortium, is under attitude to exports to Libya. Presi-

is now believed to be under pressure from the State Department to block this project in the light of U.S. disapproval of Libyan intervention in Chad.

Difficulties have emerged over a and to be waiting for an official reproject for a Libyan offshore maspone before going ahead with a attempt by Boeing to sell passenger which could involve a Houston-based subsidiary of Vickers, the UK

It was suggested yesterday that the control of the could be controlled by the department official and to be waiting for an official reproject for a Libyan oil about 18 months ago, and last December an attempt by Boeing to sell passenger items to Libyan oil about 18 months ago, and last December an attempt by Boeing to sell passenger items to sell passenger and to be waiting for an official reproject for a Libyan oil about 18 months ago, and last December an attempt by Boeing to sell passenger items to sell passenger and to be waiting for an official reproject for a Libyan oil about 18 months ago, and last December an attempt by Boeing to sell passenger jets to Libya for about \$600m was rejected by the department.

A Commerce Department official reprojection of Vickers, the UK It was suggested yesterday that

It was suggested yesterday that the engineering group.

In the past, the Commerce Department may partment has approved a number of energy-related deals in Libya, but it cause it had already granted n simicause it had already granted a similar export licence to another U.S.

Neither: Vickers nor Sofec, its sition on the export of energy-relat- ameter oil and gas pipelines

THE U.S. Government's attitude to U.S. subsidiary, would comment on ed products clearly poses some difficulties in the case of Libya.

wards energy equipment exports to stood to have made a firm applica- dent Reagan put n stop to pur-the Soviet Union. stood to have made a firm applica- dent Reagan put n stop to pur-tion for an export licence to Libya, chases of Libyan oil about 18

said yesterday that in the past the U.S. had approved offshore marine equipment deals with Libya on the grounds that the technology was available elsewhere.

A similar argument was used to

justify last week's decision to re-While the department would not move export controls on equipment comment on the suggestions, its po-made by Caterpillar to lay large di-

### **Britain** to probe Fraser shares

By John Moore, City Correspondent, in London

THE BRITISH Government is to investigate the long-running at-tempt by Lonrho to increase its stake in the House of Fraser, the

The Department of Trade and Industry, the nitimate regulatory authority of British business, decided yesterday to appoint an in-spector to investigate sharehold-ings in the House of Fraser, in which Lombro has sought to in-crease its influence, in one of the longest corporate battles in takeover history.

Mr. Cecil Parkinson, Secretary of State for Trade and Industry after consultation with the Office of Fair Trading, appointed Mr John Griffiths Q.C., to investigate

the Fraser shareholdings.
The action was taken after
House of Fraser sent confidentiouse of Fraser sent confiden-tial information to the Trade De-partment alleging that mystery shareholdings were being built up in the group, which were de-signed to help Louriso in its plans to acquire more influence over the Fraser group and force Fraser to float off its main asset, Harrade of Knickebaiden. Harrods of Knightsbridge.

in 1981 Lourho attempted to take over House of Fraser in a £226m (\$344m) deal but was blocked after a Monopolies and Mergers Commission inquiry which ruled that the takeover would be against the public in-

In terms of undertakings which Lourbo had to give to the Department of Trade, Lourbo was prevented from increasing its stake to 39 per cent or over, which under the takeover rules would have required Lourbo to mount a bid. Lourbo's present stake stands at 29.99 per cent.

Test right Mr. Relead "Time"

Lest night Mr Boland Tiny' Rowland, chief executive of Lon-rho, the international trading merate, asked rhetorically of the Trade Department's investigation: "Are we likely to be-come involved in anything which runs counter to the law?" Lourbo has recently been

gaining ground in its attempts to

force a demerger of the Harrods move which has been suggested may lead to the takeover of Har-reds by Lourin. • Gulf Fisheries, a large Arab

shareholder, yesterday disclosed that it had disposed of 2m shares out of its total 39m shares in

Lex, Page 10

### Exxon, Shell secure oil deal in China

BY RICHARD JOHNS IN LONDON

EXXON and Shell, in a 50:50 ven- and Shell, No 40/01, covers 2,580 ture, have secured exploration rights for two licence areas in the Pearl River basin of the South China Sea under an agreement signed

yesterday in Peking.

The partnership is the third so far to be awarded acreage as a result of the bids for areas of the South China and Yellow Seas invited by the China National Offshore Oil Corporation early in 1982. The companies began discussions with the state concern in 1978.

Exxon will be the operator for the ount venture. A spokesman for the U.S. company said yesterday the partners had obtained two out of

the four areas sought by them.
Exxon said the companies expected to spend "in excess of \$100m" over a three-year period - implying a big commitment and n fairly intensive exploration programme of seven or eight wells. Seismic work will start before the

end of this year, and the partners plan to start drilling the first ex-ploration well in the first quarter of Prospects in the South China Sea are considered by the industry to be far better than in the Yellow Sea.

One of the areas awarded to Exxon

square kilometres with an average depth of 400 feet, and the other, 04/27 to the north-east, 2,540 sq km with an average depth of 260 feet. There was surprise among indus-try observers about the fact that the

two majors had obtained two areas. It confirmed the impression that Exxon and Shell had driven a barder bargain than British Petroleum and Occidental, leaders of the other groups successful so far in the Chinese bidding, which both appeared to accept some less attractive acreage in their parcels.

Details of the financial terms and work commitments are being kept secret, but it is believed that in the event of commercial discovery the Chinese National Offshore Oil corporation will receive a 17½ per cent royalty and 50 per cent of output will initially be dedicated to recover costs with the balance split 51:49. Beyond that there has been scope for bargaining over proceeds Re-cently, though, a study by stock-brokers de Zoete and Bevan con-cluded that for an offshore field with 500m barrels of reserves China would give an 18.5 per rent return

Continued on Page 10

### Pakistan to avoid new IMF finance

BY JOHN ELLIOTT IN KARACHI

THE GOVERNMENT of Pakistan has decided that the country's balance of payments position is suffi-ciently strong for it not to ask the International Monetary Fund for fresh support during the current financial year.
An existing \$1.5bn three-year ex-

tended facility runs out in November, and President Mohammed Zia ul-Haq's administration does not want to introduce new IMFimposed policies which might be unpopular at a politically sensitive

It also feels that Pakistan's balstrong enough to survive without the help of the fund, which made it the current facility.

from \$760m in June 1982 to the

present \$1.75bn, which is a record

PROTESTS WIDEN Students in two Pakistani

provinces clashed with police yesterday as President Zia, In Karachi under tight security, denied the continuing unrest was cause for alarm. Many Sind shops closed their doors and protesting lawyers were locked in courtrooms by the police. Page 10; Conventional trade to continue, Page 6: Greatest test yet for Zia, Page 9.

figure. This total covers more than introduce unpopular pricing and subsidy policies as a condition of the current facility.

The there is a many subside the current facility.

The there is a many subside the months' imports and compares with a total of only \$342m when the IMF's present facility was

Foreign exchange reserves have more than doubled in the past year trade balance remains in deep defi-

Continued on Page 10

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support to a go-slow call by a salaries and give them more secret committee of Solidarity satisfaction in thair work." Mr

WORKERS at the Lenin ship-yard in Gdansk yestarday newspaper, promisad raforms the go-slow to be extended appeared to have given scant which "will increase workers" beyond August 31, the anniver-

Solidarity up, to mid-Septembar. Tha move is in protest at tha sympathisers, aftar senior party and government officials visited that yard.

Jarzy Urban, tha chiaf government Jaruzelski government's refusal to resume talks with Mr Lecb to have visited the Lenin yard.

and government officials visited tha yard.

Mr Stanislaw Bejger, first party secretary in tha Gdansk ragion, went to tha yard on the control of the control

western money and that he hapersonally called for tha go-slow A spokesman for the Lenin yard said tha tempo of work was normal yestarday, with alec-tricity power consumption abova

media attacks on him. He danied that ba had grown rich on

### U.S. sanctions take toll of meat supplies

supplies have fallen sharply annually. sinca last sumer, and ara now caros. Foles this year are consuming 54 kg of maat per capita, by the sala of poorer cuts of meat in new state "commer liveries to the Governmant are cial" butcher shops at higher prices.

Price increase

Strikes were triggered to the Grain barvests were good this year and last, and farmars' demeat in new state "commer liveries to the Governmant are at a high level since grain purchase prices were boosted by 30 per cent in June. The policy of the Governmant. Dr Koziol is primarily to but grain are consistent of the grain barvests were good this year and last, and farmars' demeat in new state "commer liveries to the Governmant are cial" butcher shops at higher capital to the grain barvests were good this year and last, and farmars' demeat in new state "commer liveries to the Governmant are cial" butcher shops at higher capital to the governmant are cial butcher shops at higher capital to the governmant are cial butcher shops at higher capital to the Governmant are cial butcher shops at higher capital to the Governmant are cial butcher shops at higher capital to the governmant are cial butcher shops at higher capital to the governmant are cial butcher shops at higher capital to the governmant are cial butcher shops at higher capital to the governmant are cial butcher shops at higher capital to the governmant are cial butcher shops at higher capital to the governmant are cial butcher shops at higher capital to the government of the severing of credits for U.S. foddar bas led to a 20 per cent tion, the main maat consumed in Poland, and a similar drop in ponitry, ha said.

According to the minister, farmers are obtaining only a duced by Poland's was raised fodder they were abla to buy in 1980. Poland is now importing fodder from tha West for cash because domestic fodder alone would sustain a per capita control of the state-supplied and private farmers was raised by some 10 per cent. The potato crop — potatoes are the main fodder for pigs — is expected to be better than tain the relationship between the level of purchase and re- Koziol, although Poland aims

BY BRENDAN KEENAN IN DUBLIN

Irisb railway system after public enquiry that inadequate Sunday's crash in which seven investment is one of the rea-

peopla diad near Dublin. The sons for recent accidents. CIE national railway company. CIE, trains are not equipped with

has refused to comment on automatic braking systems such nawspaper claims that its as those in use on BR. Sunday's record is 12 times worse than fatalities occurred in one of the

nat of British Rail. 30-year-old wooden coaches The comparisons are difficult which were condemned at the

because of the small size of the inquiry into the 1980 disaster.

Republic's rail network, with less than 1,000 miles of main-line routes. Until 1974 there had not bean a fatal accident in automatic signalling. Lack of 60 years. Since then, there bave development in the rail service

been seven major incidents, the may bave contributed to a

worst being in County Cork in lowering of morale and stan-1980, where 18 people died dards among the staff.

The Irish railways lose about

THERE IS GROWING concern

about the safaty record of the

that of British Rail.

tally diverted into s siding.

Meat shortagas and tha prica just sufficiant to provide tha of maat bave frequently led to just sufficiant to provide tha population with the amount took place most recently in the guarantaad by their ration summer of 1980, when wide-cards. Poles this year are con-spread strikes were triggered

Price increase

Dr Koziol said there will be decrease in Polish pork produc- a rise in meat prices at the beginning of next year, but that it needed. Poland, and a similar drop is difficult to say by how much. The U.S. Department of ponitry, ha said.

On June 1, tha government Agriculture estimates that according to the minister, purchase price for meat pro- Poland this year will bring in a

Concern over Irish rail safety

speculating in advance of the

allergic to prica rises, and that ne would recommend only 'mild' increases next year.

Grain harvests were good this said, is primarily to buy grain for flour and bread, for which some 6m tomes a year is

available to replace antiquated coaches and the first of the new

rolling stock is due to be de-

CIE is also to get an annual

subvention " above the line " in-stead of having its deficit cov-

ared by the exchequar as at present, but is at loggerheads

with the exchequer over grants

The Community's regional de-

velopment fund contributed an undisclosed sum—believed to be

about If20m-towards electrifi-

cation of the Dublin suburhan lines but the hard-pressed Irish exchequer did not regard this as additional to the annual subsidy

livered next year.

from the EEC.

POLAND'S MEAT and poultry sumption of only 50 kg of meat tail prices. A senior govern- to rebuild its pig and cattle supplies have fallen sharply annually.

Meat shortagas and tha prica howaver, acknowledged that the supplies of fodder. A sharp Increase in foddar output is not faasible in the next two years because all farmland is already under cultivation. The only solution, he said, is to introduce new types of foddar crops, use fertilisers better, and increase

Less fish

Polish statistics show that the U.S. embargo has led to an annual decline in poultry pro-duction of 340,000 tonnes and of 83,000 tonnes in specialised poultry farms which were based on U.S. maize fodder. Suspension of Polish fishing rights in the U.S. 200-mile zone is said to have resulted in 10,000 tonnes less fish on the market, even though the fishing vessels were relocated to the Falklands

#### Danish admiral attacks lack of mine-sweepers

By Hilary Barnes in Copenhagen THE DANISH navy's capacity to sweep mines from Den-mark's waters is "virtually non-existent," according to

Rear Admiral Olfert Fischer, chief of the navy's operational Budget cuts have reduced the number of mine-sweepers from six to three, he said. If the Warsaw Pact really wanted to make trouble it. important ferry routes and outside the main ports with-

out any trouble, One of Denmark's Nato tasks in time of war would be to keep the Baltie entrances open

### Bid to end impasse at security conference

By David White In Madrid

THE FATE of the three-year old Madrid security conference, which only requires Malta's signature to reach its longplenary session tomorrow which
tha remaining 34 participants
hope can clear the impasse.
A fresh compromise formula
from the neutral group of countries is expected to be put forward by Sweden as tha basis
of an accommodation
The Madrid session of the
Conference on Everyman Securplenary session tomorrow which

Conference on European Security and Co-operation, after finally reaching a compromise between East and West bloc positions on buman rights and other issues, has been beld no since mid-July by Malta's in-sistance on additional talks covering security in the Medi-

The proposal, judged imprac-tical by other nations including the U.S., Canada and all the rest of Europa axcept for Albaina, bas threatened to hold up tha end of the meeting. These are due to make way for a series of follow-up meetings, including a disarmament conference starting in Stockholm

next year. Sr Farnando Moran, the Spanisb Foreign Minister, has made clear that, if the Maltese problem is not resolved this week, tha final gathering of foreign ministers cannot take place as scheduled on Septem-

ber 7-9.
Delegation chiefs return to the talks tomorrow, after an hiatus during which Romania, Greece and other participants have been engaged in discussions aimed at softening the Maltese position.

Palme wants three nuclear-free zones

Prime Minister Olof Palme of Sweden on a three-day official visit to Greece, has called forthree nuclaar-free zones to be established in Europe—In tha Balkans, Scandinavia and Central Europe AP reports from Atbens. Those who believe in denuclearisation should continua the struggia

### Second supermarket giant joins French petrol price war

RANCE'S PETROL price war discount operation was merely hotted up yesterday as Carre-four, the larga suparmarket group, joined with the Lectere ing motorists fuel at below government-authorised prices.

to avoid losing customers to Leclerc, whose petrol price cuts have sparked off great con-troversy this summer.

Both retailing chains — France's top two supermarket concerns—are offering motorists discounts from government set prices of more than the officiallyat many of their stores.

The Carrefour action seems

certain to ambarrass further the M Leclerc said more than 400 Government, which has already Leclerc stores were offering 20 launched sevaral largaly un-successful, legal moves to try to stop Leclerc.

Howevar, it has brought a delighted reaction from the group run by M Edouard Leclarc, an ardent preacher of

free-market retail competition, who has been mounting dis-

BY OUR MADRID CORRESPONDENT

publicity campaign. The Leclerc action, although elearly popular with motorists, has faced sometimes violent opposition from rival petrol stations. A string of Leclerc Carrefour, a Europaan leader pumps and petrol stations in hypermarkets on city out-skirts, said it was forced to act recently been damaged or occupiad in reprisal.

M Michel Leclerc said last night that a "fundamental debate" about government price controls on petrol should now be opened up. "The more we are together in this, so much the better." ha said. "It is time that the big French distriallowed maximum of 10 centimes butors took action rather than to hida bebind negative state

M Leclerc sald more than 400 centime discounts. A total of 58 legal action had been launched against the group since the summer onthreak af price-cutting, 41 of which Le-clerc had won. In several cases, the dispute has been refarred to the European Court Under EEC rules distribution monowho has been mounting discount campaigns for more than 30 years. M Leclerc's son, Michal, who organises the petrol petrol in France varies be distribution side of tha business, tween FFr 491: (401p) and said tha Carrefour move was FFr 5.03 (411p) per litre of positive as the Government super-grade depending on the could no longer claim that the region.

### Divisions on **EEC** farm reform star

to emerge Community countries about the way in which spending on the Common Agricultural Politishould be held back surface yesterday as senior official prepared tha way for an in

Tha officials were meeting

The early disagreement emphasised the difficulties an complexities of settling a re

thare was general agreement about the need to consider reforms together and not in Isolation, the outlines of national positions heginning to amerge showed sharp variance over the component parts of a packaga. component parts of a packaga.

The thorniest single problem
was said to be the spending on

The Commission has suggested that milk production over a certain quota level should

This idea attracts Britain and West Germany, the two coun-tries most broadly interested in restricting farm spending but delegates said it had run into

Greece:
France and West Garmany,
maenwhite, were said to be
taking different positions on
the Commission aim of phasing out "nonetary compensation amounts" the system used to bridge the gap between prices expressed in a common EEC unit and national currencles. West Germany wants them to stay, France wants them to go.

# portant ministerial negotialir

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Portugal?

bare to examine proposal advanced by the Europea Commission for farm spending reform

form packaga for final negoti tion at the next EEC summit be beld during December Athens. Delegates noted that althou

was said to be me spending on the dairy sector, the largest con-sumer of funds in the farm budget, which in total next year will absorb over £9bn or 60 per cent of the whole EEC budget.

attract 2 special levy to be paid by tha farmer.

opposition from Belgium and Greece.

It was being stressed yester-day avening, however, that no country is yet showing its hand. The negotiations will be carried out by minister. "We're a few months away from the crunch yet," said one-official;

if the Government achieves its job-creation target, according to a study by the Banco de Bilbao.

Tha Government was elected last October on a promise to add 800,000 jobs over four years, but serious doubts about this targat have grown since then. Sr Carlos Solchaga, the industry minister, is on record people looking for their first as having described it as job. should continue the struggle because they have the support this target have grown since the population in both East and West," he said.

Mr Paime endorsed the proposal by Mr Andreas Papardreou, bis Greek counterpart, for a six-month delay in deployment of Cruise and Pershing-2 missiles in Europe.

years, but serious doubts about that serious doubts about the serious doubts about the serious doubts about the serious doubts about the image grown since the starget have grown since the starget have grown since in that acconstruction industry and among young people looking for their first job.

Meanwhile, the mimber of Meanwhile, the mimber of openings for Spaniards, to do openings for Spania

### By tradition Merchant Bankers enjoy a reputation for seasoned investment advice.

The Irish railways lose about and CIE has had to borrow IE70m (£55m) s year, but Gov- IE80m

Irish newspapers have been ernment funds have been made



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### Insurance curbs planned

INSURANCE companies which are not authorised to do business in the UK may find it difficult to marke their products in the UK if new pro-posals from the Department of Trade and Industry (DTI) to control mauthorised insurance companie

are put into operation. At present unauthorised insur ance companies can market their products in the UK only through third parties, and there are strict

controls on advertising.

But the collapse of Signal Life and Cavendish Life - two companies in Gibraltar - showed that the present system did not protect the consumer in the UK.

The DTI has sent a consultative

document to the main professional bodies in the UK insurance indus try setting out its proposals to tight en controls on unauthorised life Two options are set out - controls

which would forbid unauthorised companies from advertising in the UK without permission, or a complete ban on the soliciting of busi-

ness in the UK.

Companies established in other
EEC countries, or in countries with would be exempt from the proposed controls.

• MR JOHN HIPME, leader of the

SDI.P. Northern Ireland's main Ro-man Catholic party, will not be join-ing the Rev Ian Paisley, his political rival on a mission to the U.S. next month to seek industrial investment. He said the trip clashed with sittings in Dublin of the New Ireland Forum which is drawing up proposals for new political struc-tures in Ireland.

A STRIKE by 190 National Coal

Board (NCB) alectricians, which has stopped work on two coal preparation plants in the Barnsley area of Yorkshire, is threatening the viability of seven pits according to the NCB. Electricians are objecting to the hiring of private contrac

ors. ● BRITISH AIRWAYS' legal ac tioo in the High Court to stop Brit-ish Midland Airways competing on the Heathrow, London to Belfast route, is to be held in private chambers, possibly later this week.

• PEOPLE EXPRESS, tha low-

cost U.S. airlina which began op-erating on north Atlantic routes this summer, carried an average of 408 passengers on each flight, an average load factor of more than 90 per cent, figures by the British Air-

### TUC likely to win Efficiency backing for dialogue drive urged with Government

**UK NEWS** 

Spanish bank draws grim

conclusion from job study

SPAIN which is struggling with to 18.5 per cent at the end of

tha highest unemployment in the Government's term of office.
Western Europe, will atil have It reckons that the active population will increase by 400,000

tion out of work in 1986 even during this period, with most if the Government achieves its newcomers to the job market

BY PHILIP BASSETT, LABOUR CORRESPONDENT

THE TRADES Union Congress 3.5m of the TUCs 10.5m votes com-(TUC) seems certain at its annual mitted to support it. If, as expected meeting at Blackpool in two weeks: three of the largest unions at prestightening controls on unions.

This far-reaching shift in policy, foreshadowed by last week's talks on more minor matters between union leaders and Mr Norman Tebbit. Employment Secretary, was signalled yesterday when TUC lead-ers managed to draw left and right-wing factions together in a decision to hold "reasoned discussion" with the Government.

A resolution to this effect, to be put to the Congress, already has further legislative steps."

time to decide by a substantial manner into a full discussion the resolution their support, it will with the Government on its prohave more than 6.5m votes or gramme of legislation aimed at nearly two-thirds of the total. Although the resolution frame

esterday is shrouded in war-like rhetoric, the essence of the decision is contained in a central passage originally proposed by the Civil and

This states that Government plans for legislation are best opposed by reasoned discussion and explaining to the public the "unfair and impractical nature of the pro-posals. It instructs tha TUC to dissuade the Government from taking

### Steel workers recalled after £18m Shell order for gas pipelines

BY IAN RODGER BRITISH STEEL Corporation

(BSC) is recalling 220 workers at its Hartlepool pipe mill after winning an £18m order for 40,600 tonnes of pipe for Shell/Esso's Fulmar gas pipelines. This contract, together with two others BSC has won in the North

Sea in recent months, also helps to protect the 267 remaining workers at the Hartlepool plate mill on the north-east coast of England. "Amid all the gloom, this is great news and a boost for us all," Mr Jim Mackenzie, managing director of BSC Plates, said. "Our task now is

to go oo giving an immaculate per-formance so that we can win more orders oo merit, and at a profit to keep our facilities in operation."

The Hartlepool pipe mill was closed in January and only 31 em-ployees were retained to keep it on a care and maintenance basis. In May this year, BSC announced it would "stand down" the nearby plate mill, with the planned loss of 977 jobs. However, a single shift of 267 workers was retained in the

BSC won a contract to supply over 14,000 toones of plate for Total Oil Marine's Alwyn North developanother order for £10m worth of plate for Britoil's Clyde field devel-

jor portion of steel pipe for a 180 mile (290 km) pipeline to carry gas from the Fulmar field, 170 miles (273 km) east of Dundee to St Fergus where the gas and gas liquids will be separated.

Shell UK Exploration and Production, the operator for the consor-tium, said BSC won the order by being able to meet stringent spe tions and an axacting delivery Shell said the £315m Fulmar gas

project offered British industry the opportunity to bid for the supply of £150m worth of goods and services over the next year.

BSC's pipe contract is to be completed by March, 1984. No guaran-tee of work for the pipe mill bas been given beyond that date.

# in state gas

By Rsy Dafter, Energy Editor BRITISH GAS Corporation should raise tariffs, improve its efficiency and work more constructively with Government, according to an offi-cial management report published

yesterday.

The report is the result of an efficiency study by the accountancy firm, Deloitte, Haskins and Sells, Gas and the Energy Department. It urges changes in the corporation's management structure so that se-nior executives bave more time to concentrate on strategic planning and the acquisition and use of key resources, and to give attention to

relationships with Government."

Present lariffs were sufficient to cover the average costs of supply (a fact reflected in the corporation's record profit of £663m in 1982-83). But the cost of supplying more than one fifth of regional sales during the financial year exceeded the average revenue by nearly £50m be-

fore earning a return on assets, the report found:

If all gas had been priced to cover marginal costs including a 5 per cent return on assets, more than £500m of additional revenue would have been geoerated. Although the corporation had consistently met its financial objectives, set by the Government, it was questionable whether the objectives had been sufficiently precise or stringent to ensure maximum efficiency. It was recommended that British

Gas should be required to maximise profits "within a framework of con-straints on prices and standards of service that are designed to ensure that its monopoly position is not "We believe that without the pres-

sure to maximise profits it is very stre to maximise profits a va-difficult to create a management environment that encourages the sustained search for efficiency," the

report said.

"Considerable reservations" were expressed about the suitability of tha corporation's organisational structure. A study was needed to identify separate business units with a view to formulating a more decentralised structure.

Potential cost savings of up to £100m a year were identified as a result of examining operations in the corporation's 12 regions. While praised for its offshore exploration successes, project control methods oo the Rough and Morecambe gas fields were criticised.
Editorial Comment, Page 8

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Children hav They grow us before your eyes Priceless little list stens ist steps happe school plays only reformance. You can't kee Mecious moment mensional pictu of home mo hold of video. A World Hitaci

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By Ray Datter, Energt FRATESH GAS Comme Taile tamifs, agen Cl ered Greenmen sensy CIL TURBERS SPE yesterday Tro test to take the which 野山野 5 華華 - C? Com Delante field: NAME OF THE PROPERTY. arges charges hims maraner grade more events as been 11: North 20 188 

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lift to W. German electricals industry

THE WEST CERMAN elec- demand for investment goods tricals industry is a hit more is one sign of the gradual up-confident about business pros- swing in domestic economic pects, thanks to fairly strong growth after two years of growth in home demand in the decline. Many experts think the first balf of the year. But upturn witt gather strength exports are weak and the indus-

consumer durables) and domestie sales were up by 4.4 per cent. The industry's overall sales rose by 3.7 per cent in the

first half. The relatively stronger work also fell considerably.

during the rest of this year and

try is employing fewer people.

The industry's association said yesterday that overall mark remains over many key orders rose by a nominat 2 per cent against the first half of 1982 because of a boost of 6.4 per cent at home. Foreign demand fell by 5.7 per cent.

Producers of electrical investment.

Producers of electrical investment goods did better than the average for the industry and are marginally happier about the outlook than they have been for the past few years.

Domeshe orders for investment goods rose by 72 per cent (against only 3.1 per cent for to take on more lobour.

At the end of June, there

PORTUGAL'S enrrent account improved markedly in the first quarter of this year compared with the same period of 1982. hy the Bank of Portugal show that the deficit, which reached

months of 1983, This was due to strong repres-sion of imports by the former Government headed by ar Francisco Balseman, after the eurrent account plummeted \$3.3bn into the red at the end of last year. The former adminis-tration discouraged imports by subjecting licences to bureau-cratic delay, and made cuts in the imports of grain and crude

At the end of June, there were 902,000 employed in the electricals sector, 20,000 fewer than at the end of 1982. The

number of those on short time

### Portugal's current account deficit falls to £436m

BY DIANA SHITH IN LISBON

Figures announced this week the record height of \$1.086bn (£709m) in the first quarier of last year, receded to \$668m (£436m) in the first three months of 1875.

oil. Portugal's most onerous overseas purchases. Grain imports in the first

cent compared with 1982 levels. Sumer goods for the next seven Such drastic measures could months

only be stopgaps, however Portugal depends on imported grain and animal feed for more than half of basic needs in a good year—and demand this year for imported grain has inevitably mounted because of the long winter drought. Total imports were \$2.067bn in the first quarter this year compared with \$2,479hn in January-March

The Bank of Portugal figures also reflect a modest upturn in exports in dollar terms in the first quarter. Exports were \$1.098bn this year compared with \$1.023bn in 1982. Tourism brought in \$147m against \$39m.
A performance clause in
Portugal's letter of intent with
the international Monetary Fund initialled on August 8 demands reduction of this year's balance of payments deficit to Grain imports in the first \$20n and a decrease in 1984 to quarter dropped nearly 15 per \$1,250n. Sr Morio Soares's cent in volume: oli imports Government recently put strict were reduced by nearly 25 per quotas on the import of con-

BY RUPERT CORNWELL IN ROME

THE 75.000 inhabitants of Pozzuoli have had enonghand it is easy to see why. Since the start of 1983, the crowded little town a few miles northwest of Naples has experienced no less than 2,000 earth fremors: 180 so far in August alone.

The ground has risen some 73 centimetres in parts of the city. Several of Pozzuol'a already Inadequate roads have had to be closed, many blocks of flats have been seriously damaged, and activity at the fighing port, one of the main props to the local economy, has been disrupted,

An abstruse scientific word -bradishmo-bas also entered the common language. Literally, it means "slow earthquake," as opposed to "fast" ones of the type which devastated a swatte of

Names, in November 1980, killing almost 3,900 people. But for Pozzuoli, the slow earthquake is proving akin to death by a thousand cuts. On Monday morning, after the 2,000th tremor, register-ing grade four on the Merealli scale, its patience ran

An attack of the shakes moves Pozzuoli to action

Thousands took to the streets demanding some-thing finally be done by local and national government to

increase their security. Roads and railways were blocked. in some cases by boudges, and the demonstrations ceased only in the afternoon, after representatives of the city government had registered a formal plea with the state

anthorities.
The culprit for these latest tremors, as for the myriad others of the past, is the Solfatara, the extinct volcano between Pozznoli and Naples.

It emits occasional rumbles. adding to the general nervousness of the nearby inhabitants. But experts say there is no danger of an eruption, or even of disturbances like those of 1970 which caused part of Poz-

zuoli to be evacnated, For thousands of years, the Solfatara has in fact been playing upon imaginations. Virgil considered it one of the entrances to the underworld.

and close by up the coast is the mysterious and evocative shrine of the Cumean Sybil.

But for modern Pozzuoll, It is the present which matters. Stg Vicenzo Scotti, the new Minister for Civil Protection, is paying a visit today, to preside over a meeting of experts and officials. Whatever they come up with, however, is unlikely to set local minds at

Real

### Yugoslavia may widen price curbs

By Aleksandar Lebi in Beigrade

THE YUGOSLAV authorities have warned that their recent actions—rolling back bread price increases and fining beverage producers for exorbitant price rises—may be fottowed by similar moves in other sectors, in a bid to re-strain renewed inflation.

The new surge in inflation, which is pushing the annual rate of price rises up to 40-50 per cent, follows the end of a 12-month price "freeze" on July 28. Even during this so-called freeze retail prices jumped 33 per cont. In its latest report in July,

the Organisation for Economic Co-operation and Development singled out "the permanent tendency towards bigh inflo-tion" as the country's worst structural problem.

The OECD complained about the inflationary impact of the policy—prescribed for Yugo-slavia by the International Moneiary Fund—of faster currency depreciation. So far this year, the dinar has sunk by 50 per eent against a trade-weighted basket of convertible currencies and by 60 per cent against the U.S. dollar atons.

Frontier 'attack'

Vandals from the West erossed the frontier and "destroyed border security devices." East Germany claimed yesterday in a protest to the Bonn Government, AP reports from Berlin. A West German spokesman confirmed that an automatic firing device which East Germany attach to wire fences to hinder horder escapes had been des-

### Unemployment the only blot on Swedish economic recovery

BY KEVIN DONE, NORDIC CORRESPONDENT IN STOCKHOLM

IN THE Social Democrats' will be seeking an increase of economy remains the fact that

Nearly 12 months later Olof Palme's Social Democrat administration is facing more than 154,000 out of work—not than 154,000 out of work—not to mention the countrys hidden unemployed—close to 100,000 people outside the labour market who are only kept off the unemployment register by costly job creation measures.

The Swedish economy is showing clear signs of recovery with growing exports, increas-ing production and rising orders from ahroad, a big im-provement in the current account, a booming stock market and sharply rising com-

pany peofits, The official unemployment rate, at only 3.4 per cent in July, would be the envy of many of Sweden's neighbours. but despite the economic up-swing the number out of work appears set to continue rising at least for the next year, according to Mr Kjell-Olof Feldt, the Swedish Finance Minister, and the trades unions

are becoming restive. The Swedes have had to endure three years of declining real disposable incomes, and real disposable incomes, and in their five established main trades union leaders will be markets, Norway, West Gerreluctant to accept another settlement below the inflation trate next year, Mr Stig Malm, share of total Swedish exports workers who usually set the pace in the wage round, has already suggested his members recording their chief stoceases in their five established main trades union leaders will be markets, Norway, West Germany the UK, Denmark and the U.S., which have increased their share of total Swedish exports
of their five established main trades union leaders will be markets, Norway, West Germany the UK, Denmark and the U.S., which have increased their share of total Swedish exports
of their five established main trades union leaders will be markets, Norway, West Germany the UK, Denmark and the U.S., which have increased their share of total Swedish exports
of the property of the biggest structural problems in the Swedish

"IN THE Social Democrats will be seeking an increase of economy remains the fact that 153,000 unemployed." This was the proud boast of the election posters just under a year ago, as Sweden's Socialists fought to wrest back power from the Centre-Right coalition after six year in the political wilderness.

Nearly 12 months later will be seeking an increase of economy remains the fact that its industry became too small during the second half of the 1970s. as exploding costs helped to price companies out of international markets. The loss of export competitiveness led to a rapid deterioration in the valuation of the Swedish krona.

Nearly 12 months later

Trade surplus

The devaluation, which was a nasty shock for Sweden's Nordie neighbours—was aimed at restoring Sweden's industrial competitivenes and regaining lost shares of international markets. The hoped for boost to everts he seems to charge to exports has begun to show through elearly in the monthly trade figures and the initial

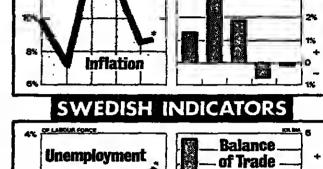
increases. From January to July this year Sweden showed a trade surplus of SKr 10hn (£839m) compared with a surplus of only SKr 4.6hn in the corresponding period last year. The value of exports jumped by 24 per cent and the volume of exports prew by 10 per cent comports grew by 10 per cent com-pared with a rise of only 3 per cent in the volume of imports. Swedish exporters have been recording their chief success

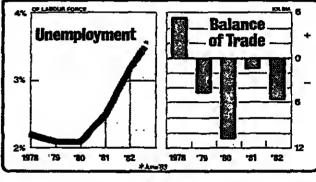
cent in 1981.

A devaluation two years ago helped to offset some of the disadvantages faced by exporters, but the big boost came from the 16 per ceot devaluation last October. According to Mr Rudolph Jalakas, senior economist with Svenska Handels-banken Swedish industry now has a more favourable competi-tive position than at any time during the last 10 years.

Industrial production bas risen steadily, with an increase rrom dearer imports has been minimised by continuing weak demand in the domesuc economy which has forced importers to hold down minimised by the domesuc economy which has forced importers to hold down minimised by the domesuc point reached in August last year. Increases in output this porters to hold down minimised by the domesuc point in the domesuc points. second quarter, 1.5 per cent in the first quarter and 1.2 per cent in the final quarter last year have been made possible by sharply rising foreign orders. Helped by the strength of the U.S. dollar, Sweden's multi-national eorporations are be-ginning to report beginning profit levels — at least when com-pared with the recent lean years.

Having out-performed all other stock exchanges around the world in the past two years the Stockholm bourse is threatening to repeat the performance again this year with a further rise of more than 60 per cent in the index (Veekans Affarer) since January following increases of 36 per cent in 1982 and 58 per





modest expansion in the on the way to securing the first economy which could see a growth of 1.7 to 2 per cent in Gross Domestie Product in Gross Domestie Product (GDP) in 1983, a marked turnround from the recessionary years of 1981 and 1982 when GDP shrank by 0.7 and 0.1 per cent. The Swedish Confederation

industry is forecasting a further growth of 1.8 per cent in GDP next year, while the OECD is rather more confident, suggesting a rise of as much as 2.5 per cent. Much clearly depends on the durability of the world recovery,

part of their economic strategy, namely to reindustrialise Sweden, to revitalise the export acc tor and recapture lost market shares. The second stage-lowering inflation, reducing the central government hudget deficit and maintaining full employment might not be so easy to achieve.

Inflation is the Achiltes heel of the Swedish economy. The rate of increase has been falling this year and inflation has been held well below the 13-14 per cent feared by some at the time of the devaluation.

Sanuary following increases of With such early successes But on a year-on-year basis behind them the Social Demotent in 1981.

Export gains are fuelling a some justification that they are eent in July.

### - 125 31 - 125 S Two bodies, d a great entertainer. ivui iicaus, ai

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### French envoy tries to speed diplomatic solution over Chad

BY DAVID MARSH IN PARIS

THE FRENCH Government, which is resisting calls from Chad for more active military support for the regime, yesterday sent a special en-voy to Africa to try to speed a diplo-matic solution to the Chadian con-

Mr Maurice Faure, the Radical party deputy who is head of the Na-tional Assembly's foreign affairs commission, was due to leave for Addis Ababa last night for talks with Ethiopian president Mengistu Haile Mariam, the current chair-man of the Organisation for African

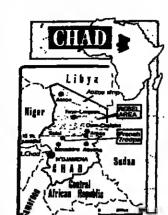
News of M Faure's mission, which followed a meeting between members of the commission and M Claude Cheysson, the Foreign Minister, came amid increasing signs of France's reluctance to step up fur-ther its military support for emhat-tled Chad President Hissene Habré.

Following the landing of French combat aircraft in the Chad capital N'Diamena on Sunday M Habre made clear that he welcomed the arrival of the air force but wanted more French military aid to ward off the threat of attacks from Libyan-backed rebels bolding the north of the country.

Suspicions are, however, growing in Paris that Mr Habré is overstating the immediate threat of a rebel advance oo N'Djamena in order to win more French weapons and material to help his forces launch a northern counter-attack. This suspicion is backed up by diplomatic reports that Libyanaided forces built up in the rebel-

held North have oot made any sig-nificant advances southwards since recapturing the key oasis town of Faya-Largeau a formight ago. Foreign diplomats io Paris and the French Government believe that M Habre may be tempted to try to retake Faya-Largeau. France, President François Mitterrand for break of fighting in the North - in yan leader Coi Muammer Gadaffi,

pleas for more men and military efficiency.



way of restraining his ambitions to

restart the fighting.
The French Defence Ministry was yesterday still sticking to the line that around 2,500 soldiers were involved in the Chad operation - just over 1,000 in Chad itself with another 1,500 standing by in neigh-bouring Central African Republic. The number in Chad could, bow-ever, be up to 1,000 more than the Government is admitting, according to press reports from N'Djamena.

General Jean Poli, nominated by the Government to take charge of the Chad operations, arrived on Monday with a further 80 air force commandos, officially bringing to a close the present phase of troop

Pour air force Jaguar fighter-bombers and four Mirage F1 fighters are still stationed at N'Djame na airport. Two other Jaguars which arrived on Sunday morning

bave since left Chad. On the diplomatic front, M Roland Dumas, the envoy sent by however, believes that a fresh out-talks in Tripoli last week with Libwhich French soldiers could be has been rumoured to be on the come involved - would not be the point of making another visit to Libbest prelude to reaching e diplomatic solution to the conflict.

The only gradual response by the Paris Government to M Habre's missions as a condition of (their)

### **UN Secretary-General** starts Namibia talks

BY J. D. F. JONES IN JOHANNESBURG

Botha, the South African Prime Minister, end held talks with Mr Pik Botha, the Foreign Minister, and General Megnus Malan, the Defence Minister. Earlier Dr Perez de Cnellar spoke of the "inordinate delay" in reaching e settlement on the independence of Namibie. Tomorrow he is due to fly to

Windhoek, where he will prohebly meet some of the "internal" party leaders in the territory. He then moves on to the Angola capital of Luanda where he is expected to meet Mr Sam Nujoma, the leader of the South-West African Peopls Organisation (Swapo).

Although Dr Perez de Cuellar CUELLAR, the United Nations
Sccretary-General, yesterday opened two days of talks with obstructing the progress of the South African Government over the future of Namibia (South-West Africa).

The UN party met Mr P. W. easy success where the contact would be successed by the South African Points. group of five Western nations has so far failed.

Part of the Secretary-General's problem is that the basic obstacle to a settlement remains the insistence of the South African Government (supported by the U.S. Administration) that a settlement be "linked" to the withdrawal of Cuban troops from Angola.

This is not a subject which technically fells within Dr Perez de Cuellar's brief, though it is hardly possible for it not to be mentioned in Cape Town in the

### Shagari edges towards two-thirds Senate majority

won 41 of the 70 senate seats so far declared and may be within reach of a two-thirds majority in the 96-member body.

The success of the NPN in

the presidential polling, when Mr Shagari had a 4m majority Mr Shagari had a 4m majority over his nearest rival. Chief Obafemi Awolowo of the Unity Party of Nigeria (UPN), appears to have had a bandwagon effect on subsequent polling.

The NPN has won 13 of the 19 state governorships (elthough et least two results former Biafran leeder, Mr will be challenged) and hes already improved on its 1979

already improved on its 1979 election performance in the senate results. On that occasion the NPN won 38 seats, the UPN 28 and the Nigerian People's Party (NPP) 16.

Two further rounds of voting

Two further rounds of voting are scheduled, with elections for the House of Representa-

THE National Party of tives dua to take place on Nigeria (NPN), led by Saturday, followed by State President Shehu Shagari, has Assembly polls on September 3. Of the Senate results declared so far, the UPN has won 12, the NPP 11, the People's Redemption Party (PRP) 5 and the Greet Nigeria People's Party (GNPP) 1.

Should the NPN win a two-

Chukumeka Ojukwu, for one of the five senate seats in his home state of Anambra has been officially confirmed. The outcome is a hlow to the political amhitions of Mr Ojukwu, who is seen hy some as a successor to the ageing Dr Nnamdi Azikiwe as the leeder of the Ibo manual of asserts Nigeria

#### **BUSINESSES FOR SALE**

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### Iraq just manages to balance its books

By Patrick Cockburn in London

AS the third anniversary of the start of the Iran-Iraq war ap-proaches, the main threat to Iraq is less of defeat on the battlefield than of economic attrition.

It is now over a year since the Iranians won a major battle against the Iraqi army. The war front has stabilised since Iran retook the port city of Khorramshahr and captured 30,000 prisoners. Iranian troops al-most broke through to Basra, Iraq's econd largest city.

Today the Iraqi army is still straining to defend the long border with Iran, especially since Iran opened a new front in the mountains of Kurdistan last month. But it defeated two Iranian assaults earlier this year in the flatlands northeast of Basra, where most of the fighting is concentrated.

However, it is the economy and the social strains of the war which are causing more concern. The problem is simple enough: Iraq startet the war with reserves totalling some \$30bn, which have now dropped to between \$2bn and \$3bn. Figures from the Bank for Interna-tional Settlements show Iraql for-eign assets outside the U.S. at only \$1.2bn at the end of 1982.

As if to emphasise the serious ness of the financial situation Iraq's President Saddam Hussein this month suddenly dismissed his Finance Minister, Mr Tamer Raz-

Iraq is wholly dependent on its oil exports; its next biggest export in 1980 was dates. But its main oil terminals in the Gulf were destroyed by the Iranians in 1980 and the trans-Syria pipeline closed last year, making it wholly reliant on the 625 mile long pipeline from Kir-kuk to the Mediterranean via Turkey, through which a maximum of 750,000 barrels a day (b/d) of crude can be exported.

The revenues this produces are by no means enough to pay for Iraq's needs. Apart from the costs of the war, which could be as much as \$1bn a month, a vast range of military equipment has been or-dered from suppliers such as the Soviet Union and France.

Irag's financial position worsened in 1980-82 because of an extraordinary surge in Government spend-ing. In 1981 alone, when ministries in Baghdad appeared to have no restraints on their spending, con-tracts worth at least \$23bn were owed in the civil sector; Iraqi cibes were crowded with foreign contrac tors and their workforces.

This could not last while the war went on. Last year few new con-1983 almost all foreign companies were asked to find finance for their projects if they wished them to continue. There were few exceptions apart from those schemes connect ed with the war effort.

Initially, the ministries in Bagh-dad and the central bank showed a lack of experience in arranging credit. Many companies complained of arrogance. Officials of the major Japanese trading houses were irritated that the Iraqis summoned them to Baghdad to arrange a \$1.5bn rescheduling, rather than visiting Tokyo to do so.

The Iraqi Government delayed too long before making the spending cuts and there was also a shortage of experienced staff at the central bank and ministries to negotiate the new credit arrangements. Since then, Iraq has been more successful in organising credit. France has been particularly co-operative and has just arranged a \$1bn ioan which will fund French civil contractors, but inevitably

there have been casualties. . In Britain, Kier International subsidiary of French Kier, is taking legal action against Iraq to terminate an expressway contract for which the Housing and Construc-tion Ministry in Baghdad called in the performance bonds last month. The French Kier group has had to pay £13m. Other companies have found their work declared not up to

standard and payment delayed. It is unlikely that Iraqi oil revenues will increase much, so the future of the economy is now dependent on the length of the war and aid from Gulf oil states. This aid was generous at the start of the war, but as oil exports and revenues drop there is a resistance to further pay-ments from Kuwait, the United Arab Emirates and Qatar.

Saudi Arabia is the key donor. Earlier this year, its aid was put at \$1bo a month, but the present level is unclear. It does, however, include oil revenues from the sale of 225,000 b/d of crude. Many bankers hope that Saudi Arabia will ultimately bale Iraq out because of its fear of the spread of the Iranian revolu-

Their hopes will probably be realised. Despite the Iranian offensive in Kurdistan, there is no sign that the Iranians are capable of cutting the one remaining Ireqt oil pipeline.
Interest payments on the debt
which Ireq is now piling up may be
difficult to meet if the war goes on. but at present levels of expenditure, lraq has just enough money for the war and essential civil imports. There is, however, no margin for er-

### Careful expansion in first Hawke budget

THE AUSTRALIAN Lahor Keating, was to "provide the Government yestarday pre-maximum fiscal stimulus to the Government yestarday pre-sented its first budget since it

Australian Treesurer, said that the coming year held the promise of "considerable improve-ment" in the country's economic performance. But he warned

sented its first budget since it economy consistent with its came to power last March with a projected daficit of A\$8.4bn without placing undue burdens (£4.9hn), nearly double that of on interest rates or the balance last year.

Forecasting an economic In recent weeks, Mr Boh growth rate of about 3 per cent Hawke, the Prime Minister, has in 1983-84, Mr Paul Keating, the taken firm action to blust

Australians that the country's the Government bad achieved

taken firm action to blunt demands hy his Left wing for a deficit of A\$10bn plus. Mr. Keating said the net cost of Labor's new expenditure initiative was about A\$650m, and that

estimated 19.3 per cent, to ment of new technology. A\$16.8bn, in 1988-84, while extra money will be spent on employment and training, hous-

ing, capital works (including a major upgrading of airports), education, overseas aid and tourism. Defence spending will rise 10.4 per cent, to A\$5.30n. An aid package worth A\$100n. a year for the Australian steel industry has already been

that spending under the Indus-trial Research and Development problems were deep-seated and its objectives by a genuine recould not be resolved "quickly or by precipitate action."

Lahor's hroad policy, said Mr

Lahor's hroad policy, said Mr

Labor's hroad policy, said Mr

BY MICHAEL THOMPSON-NOEL IN SYDNEY

monthly indexed hasis. Measures
to encourage the maximum
absorption by refiners of
domestically-produced crude oil

Last night Mr Keating said

ment of new technology.

The Treasurer unveiled higher excise duties, raising the price of petrol by 2c a litre, cigarettee by 3c a needed with the price of petrol by 2c a litre, cigarettee by 3c a needed with the price of petrol by 2c a litre, cigarettee by 3c a needed with the price of petrol by 3c a needed with the petrol by - He said the task of financing cigarettes hy 3c, a packet and beer by 3c a bottle. In future, duties will be raised on a six-

the deficit responsibly would be considerable, and that over the year to next June the Government would contain M3 growth in the range of 9 per cent to domestically-produced crude oil will raise estimated crude oil 11 per cent, against an estimated will raise estimated crude oil 12 per cent in the 12 months to 12 per cent in the 12 months to 12 per cent of estimated 5 per cent of estimated to be about 4.5 per cent of estimated to be about 4.5 per cent of estimated to be about 4.5 per cent in real tarms with aggregate real non-pared with 2.8 per cent in farm product likely to increase

farm product likely to increase pared with 2.8 per cent in farm product 1882-83. Mr Keating said that by ahout 2 r 1983-84 deficit would prove as a whole. by about 2 per cent for the year

azil s

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Chris Sherwell in Manila reports on the aftermath of a murder

### Serious embarrassment for Marcos

SUNDAY'S BRUTAL slaying in Manila of Senator Benigno Aquino, the Philippines' leading opposition figure, has provoked profound expressions of shock, forthright promises of a full investigation, and endless speculation over the mysterious scircumstances surrounding his death. But, in the view of many, it seems unlikely to change the local political picchange the lo

have passed. President Ferdi For both Unido and the nand Marcos, with bis wife end Government, another test is Cahinet members at bis side, now ebout to come. Mr Aquino's went on live television late on Monday night to dismiss all

speculation in this rumour-flooded city, and even wonder a little himself about the motives of others unhappy about the senator's return from exile in the U.S.

For the legal political opposition, which wants President Marcos to take responsibility for the appailing leck of security at Manila airport, the assassination has been depressing and dispiriting. Sen Aquino, an experienced operator in the Filipino political maelstrom, offered the splintered coalition a real prospect of unity ahead of next year's scheduled national essembly election.

An articulate, energetic and fiamboyent figure, Mr Aquino, at 50, stood in stark contrast to the ailing 65-year-old President Marcos, whose physical appear-ance on Monday night shocked both foreigners and Filipinos. Even if the Senator had been errested on errival on the charges still pending against him, he would have been the been thought of the charges are not to 17 years

in June. Its political base lies in visit. On the second to travelling between Vladithe middle classes, although it there is not as yet thought to travelling between the middle classes, although it there is not as yet thought to travelling between the second for Mr Reagan vostock. form which could have wider to avoid Manila, and the Presi- Indian Ocean.
appeal among a population dent himself says that he is not Under a ne where anti-American sentiment worried about going. is reputed to he growing.

ture very much, at least for the killing, the group seemed in-moment. capable of organising e quick popular response to the inci-

> wife end family are due to return to Manila today to make plans for her husband's funeral. If the lengthy queues of mourn-ing Filipmos who turned up to see the senator's body are any-thing to go by, the funeral will be crowded. It is expected to he restrained unless either side handles it insensitively.

But it mey be that the

THE FUTURE of U.S. Filipino relations following the death of Mr Aquino depends on whether

the Marcos Government pursues its investigation into the

assassination in a "rapid, objective and credible" way, eccording to the words of one official, Reginald Dale writes from

President Ronald Reagan

seems to have left open the possibility that he might cancel his planned stopover in Manila

Washington.

Relations

to 5,000 men. Diplomats put the figure higher, and agree that the worrying feature is the

In addition; there is resistance from the Moro National Liberation Front (MNLF), an extreme Moslem secessionist group which has been fighting for 13

Marcos Government have been warm, and the two leaders are

said to get on well together personally. Mr Marcos was effusively welcomed in Wash-

that the worrying feature is the movement's expansion, both in evolution. Dissatisfaction with support and in territory. The Government says this has happened only since it ended especially in the sprawling capital, whose population has grown to 6m out of a pation-wide totel of 50m. pines' disjointed economic evolution. Dissatisfaction with wide totel of 50m.
This urban discontent has yet

to be demonstrated in political terms, bowever, and Filipinos have a reputation for being years in the southern island of easy-going. On the other hand, Mindanao. The MNLF, whose few people are prepared to dis-Libyan support has been cur-count the pervasive influence tailed, is widely reckoned to of the Catholic church, which have been subdued, if not speaks out regularly against inunofficial underground opposition to President Marcos poses
Only ebout 5 per cent of the dent Marcos has great difficulty more of a threat to his power. country is Moslem, so the in countering.

1 next year, up from \$500m



daughter mourn the death of the Opposition leader.

- The eurrent austerity plan embarked upon by the Marcos Government complicates matters further. This has entailed tax increases, reductions in subsidies, cuts in Government spending, deferral of major capital projects, restraipts an foreign borrowing and a devaluation of the peso. Washington waits for inquiry in killing

devaluation of the peso.

The consequences of this strategy, which is designed to combat a huge balance of payments deficit, have even irritated many close to President Marcos. At one point, the position of the Prime Minister and condenic overload, Mr Clesar Virata, was at-risk, and it was only at the end of May. aid to the Philippines worth \$900m over the five years from fiscal 1985, starting on October over the current five-year September—his first to the U.S. in 16 years—and the Administration continues to regard that tration continues as of major colony, bave ensured continued it was only at the end of May, strategic importance.

The two U.S. bases at Clark

Washington believes are bound that the President amounced to persist even after MY that Mr Vir'sta would stay in Marcos goes.

Marcos goes.

ndian Ocean. there is bound to be a major to be conscious of its image Under a new egreement outcry in Washington, regard-abroad, the assassination of Sen aigned on June 1, the Administration undertook to ask Conof the Philippines.

Aquino has come as a serious embarrassment.

# best hope of an end to 17 years of Marcos rule. But whether he could have echieved such a goal is open to question. The legal opposition, known es the United Nationalist and Democratic Organisation (Unido), finally came together as e party only in June. Its political base lies in the middle classes, although it has a broedly nationalist plate.

The two U.S. bases at Clark
Field and Subject Bay-base
vital to American military
operations in Vietnam—are
seen as a key link in the comseen as a key link in the comseen as a key link in the com-

ington during a state visit last period.

September—his first to the U.S. The importance of the bases,

Morocco may be forced to reschedule debt payments

MOROCCO, with a foreign debt of \$10bn (£2.671m) may soon be forced to follow Sudan by hecoming the second Arab country to reschedule deht repayments.

Despite denials by Moroccan officials, bankers cite the country's current eccount deficit of maintain repayment by the end of the year and now standing at \$20bm - together with a dramatic fall in reserves a graing again to \$28m in with a dramatic fall in reserves a graing again to \$28m in few the deficit of maintain repayments by the end of the year and now standing at \$20bm - together apyments alone of \$850m in Morocco has so far managed as evidence of the impending activities of the stance of the impending activities and by earnings from the financial in 1882. The monthly fluctuated the financial in 1882 the month rose 16 per cent of Morocco's reserve position, with a determinate the decline in aid from the Gulf from £230m in Janusry, 1982, to \$97m in May, must be set egainst the general pattern of reserves during 1892.

Morocco's reserve position in Janusry, 1982, to \$97m in May, must be set egainst the general pattern of reserves during 1892.

Morocco's reserve position to be formally approved by the swollen civil' service, and increase taxes on bigh income plunging again to \$28m in February of this year.

Morocco has so far managed by the end of the year and plunging again to \$28m in February of this year.

Morocco has covered this of the war in the Morocco's reserve position, which has so alarmed banking from the Gulf from \$20 per cent of Morocco's repet to define the country's current eccount deficit or maintain repayments by the end of the year and industry with a determination to these measures, from abroad in the financial invisible earnings of \$15m medium-term loans from the life financial invisible earnings from the financial

between the tration undertook to ask Con- of the Philippines.

### Sri Lanka curfew

shortened THE Sri Lankan Government said that a night curfew im-posed on 12 of the 24 districts in the island to curb ethnic violence would be reduced to ave hours from today, Reuter

A nine-hour curfew has been operating in most of the districts including Colombo, for several days following last month's rioting in which more than 385 people died and hun-dreds of homes, shops and fac-factories belonging to minority

Tamils were damaged or destroyed.

Officials said the curfew had enabled troops to be moved to the hill town of Kandy, where anti-Government forces had threatened to bomh the local pageant.

The short-haul Dornier has been chosen after years of difficulty difficulty and intense lobbying by several aircraft manufacturers.

FREEHOLD INDUSTRIAL

Ex Minister denies charges in Burma BO NI, former Burmese Home Minister, has pleaded out guilty to a charge of misappropriation

of public funds
The court ruled yesterday
that prosecution has succeeded
in establishing a prima facie
case against him, showing he
had misappropriated U.S.1.500 out of \$25,000 drawn by him from the Government for his official trip to London last January to study census-taking

#### India to buy 25 Dorniers

By D. P. Kimter In New Belhi INDIA will shortly sign an agreement with West German manu-lacturers of the Dornier 228 for the purchase, initially, of 25 air-

proposed deal were not dis-closed. Some of the 19-seater Dorniers, costing roughly \$103,600 apiece, will be used by the domestic feeder airliner, Vayudhoot, and the rest by the Indian air force and navy.

The short-haul Dornier has

FREEHOLD INDUSTRIAL

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ighly expansionary ild be well below that who inherited after our predent of pork-barreling the task of some the said the task of inactions deficit responsibly would be to next June the Core of the would corrian M3 from the range of 9 for the range of 12 months to Fotal public expending both in 1953-52 is expending be about 4.5 per case from many with aggregate real or product likely to increase a whole.



Mr Aquino's mother mig danghter mouth the deals the Opposition leads

The current ausent to emburked upon by the Mar Government complicates may further. This has existed increases. reductions mi sidies. Cuts in Government of the spending, deserted of the capital projects, remain foreign homowing at

devaluation of the pesa, The consequences d; atraiday, which is design Cumitini . have balance da men's deficit have a dient Marcos. At one pont: Dos tion of the Prome Max and recommittee overline). Costa Viruta, was at his it was on a if the end of I Riche S.R works of stenio President inner ghat Mir Verata would ge: place Fore in benkerant hier as the figure keeps this in-pired training scurre were to evel Program History Marces

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payments

THE RESERVE THE Die Frank Grant und Ballen. Compagned to the second to the proude and the Mil 10 cr 10 kg



### Brazil set to win IMF approval for PRESIDENT Ronald Reagan will soon be taking the most important decision of his Presidency, one that will send be the world's financial markets, the world's financial markets, and the contract and the contract of the Right, like and the Centractive Jack Kemp and the Centractiv

BY ANDREW WHITLEY, IN RIO DE JANEIRO

bave overcome n major hardle in the way of its new debt refinancing programme. M Jacques de Larosiere, manag-ing director of the International Monetary Fund, was reported to have approved the outline technical agreement reached between Brazil and the Fund two weeks ago.

Sr Ernane Golvess, the Finance Minister, said late on Monday that M de Larosiere had endorsed the revised Brazilian economic adjustment programme in Paris last weekend during meetings with Sr Antonio Delfim Netto, the Planning Minister.

Final details of some of the domestic and external targets Brazil had been set for 1984. however, remain to be settled. To wrap un the IMF accord, two top Brazilian officials, from the central bank and the Planning Ministry, were due to leave Brasilia for Washington last night.

After months of periodically After months or periodically hoping the IMF will indicate intense negotiations and several its approval of Brazil's adjust-weekend in Paris appear to have paved the way for an agreement between Brazil and the Fund.

Sr Carlos Langoni, the central bank governor, la expected to attend important meetings of the advisory group of leading creditor banks in New York today and tomorcow. The group will study the figures gathered by its economic sub-

BRAZIL yesterday appeared to committee in Brazii in recenl

Over the next two days the over the next two days the advisory group, chaired by Ciubank, the Brazilian centralbank team and the banks' economists are likely to be discussing Brazil's cash needs for the rest of this year and laying the groundwork for the launch of next year's "jumbo" loan of next year's "jumbo" loan.

Reports from Brasilla indicate Brasil is anticipating a current account deficit of between \$6bn and \$6.5bn next

year. Most of the deficit will have to be financed by the international money market.

To meet this year's shortfall of \$3.6bn to \$3.7bn—and rebuild the central bank's reserves by an IMF-required \$500m—one possibility under consideration is the speeding up of the disbursement of the existing \$4.4bn jumbo loan, according to Weslern bankers according to Weslern bankers in Brazil In any case, \$1,27hn 15 due to be released by the

end of this month.

Meanwhile, bankers are hoping the IMF will indicate its approval of Brazil's adjust-The Brozilian authorities are international Settlementa.

The Brozilian authorities are international Settlementa.

The Paris Club of Western to discuss mid-September to discuss mid-September to discuss the paris of the paris contains and paris contains

### Mexico poised to sign rescheduling accords

BY PETER MONTAGNON, EUROMARKETS CORRESPONDENT

batch of rescheduling agree-ments on its \$84bn (£55bn) foreign debt exactly a year after it was first declared insolvent. Due for completion this Friday in New York are ogreements deferring repayment of some \$10bn in debt. owed by the Mexican Government, its state oil monopoly Pemex and development bank Nafinsa.

The signing will be followed by agreements covering other

states agencies, bringing the total rescheduling to some It will mark an end to a 5-ar of difficult negotiations during payments on these orrears. on deht repoyments to bank creditors has had to be extended

several times.
The rescheduled debt is to be repaid in eight years and will bear interest at a margin of 12 per cent over Eurodollar rates or 17 per cent over U.S. prime rate.

Can You Remember

Business

VANCEREAD

Conversation?

The Details Of Your Last

MEXICO is poised to sign a first Meanwhile. Mexico has made further progress on the long road to financial recovery with payment this month of another 10 per cent of private sector interest arrears incurred in the immediate oftermath of last year's crisis. It has now paid some 35 per cent of the total \$650m in arrears.

The strong improvement in Mexico's current account balance of payments—which Mexico's was in surplus of \$2.5bn during the first half of this year-means it is now expected to continue making instalment

pected to ask bankers to re-finance unpaid arreors after this September in the form of a "roll-up loan," amounting to

as much as \$500m. Such a loan, which would not have constituted new money, will now prove un-necessary, bankers believo.

Mr Reagan spoke as major new naval manoenvres got underway in the Western Atlantic and the Caribbean. These involve 32 U.S. ships, two frum Britain and one from the Netherlands. The training exercise, known as "Reader-2 83," was strictly rontine and quite separate from Mr Reagan's "Big Pine 2" land and sea manoeuvres in Hondaras, the Pentagon insisted.

be said.

Washington officials admitted, however, that six of the U.S. ships, led by the nuclearpowered guided missile cruiser USS Mississippi, would join the U.S. aircraft carrier Coral Sea in its operations off the Caribbean coast of Central America.

Reuter adds from Teguci-gaipa: The Honduran Govern-ment is pressing for a per-manent U.S. naval base in the country after the current U.S. military manoenvies end, diplomats said yesterday. A permanent base would cost up to \$200m.

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On August 10, 1983, the United States Bankruptcy Court lot the Southern District of New York On August 10, 1903, the Onlice states bank uptcy court for the Southern District of New York entered an order appointing a committee to represent the holders of Saxon Industries, Ioc. ("Saxon") 514% Convertible Subordinated Debentures and 6% Subordinated Debentures due 1990, and Saxon 53% Convertible Subordinated Debentures due 1987 (the "1987 Debentures"). The members of the committee will be selected by the United States Trustee's office from among the names of holders of all the issues. If you would be willing to serve on the committee, please advise Citibank, N.A. (formerly First National City Bank), Trustee (the "Trustee") under the Indennire dated as of November 1. 1972, as supplemented, between Saxon and the Trustee, pursuant to which the 1987 Debentures were

If you do not wish to serve on the committee and you have not previously corresponded with the Trustee, it is, nevertheless, strongly urged that you register with the Trustee your name, address and the principal amount of 1987 Debentures which you hold. This will ensure that you will be informed of and allowed to participate in a vote by the holders of Saxon Debentures on a plan of reorganization.

Any questions or communications relating to the above may be addressed to the Trustee as follows:

By Mail: Citibank, N.A.

Corporate Trust Administration 5 Hanover Square, 14th Floor New York, NY 10043 Attention: E.J. Jaworski Assistant Vice President

CITIBANK, N.A., as Trustee

By Telephone: (212) 825-649-4

August 23, 1983

A re-election bid may be a mixed blessing, writes Anatole Kaletsky

### Reagan: the risks of a second term

Between early September, when he returns to Woshington from his holiday in California and mid-November, wheo he takes off on a major Asion trip, Mr Reagan will announce whether or not he is going to run for a second term in next year's election.

When he does this, the U.S. could obruptly lose its status of a political "safe haven" which has been used, for the pasi two years, to explain tho prodigious strength of the dollar after all other arguments hove falled.

As the moment approaches for Mr Reagan to fire the starting pistol for the election cam-paign with his announcement, the markets moy bave to re-examine the three assumptions on which the present comcal future rests-that President Reagan will stand for re-clection, that he will win a aecond term withoul much difficulty, and that a second Reagan Presidency would be less prone to monetary and fiscal crises thon the first. Firstly, It is not yet a fore-

Reagan

build-up

backs arms

By Reginald Dale, U.S. Editor, In Washington

PRESIDENT Ronald Reagan

yesterday strongly defended his arms bulld-up and his efforts to "halt communism."

in Central America, while

renewing his onshught on the

so-called peace movement."

In on address prepared for delivery to the American

Legion's argual convention in

Scottle, he compared the approach of the peace demon-

stratora to the appeasement policies of Mr Noville Chamberlain, Britain's pre-war Primte Minister, which,

of World War Two closer.

e said, had brought the onset

Peace was an objective, not

a policy, Mr Reagan sald, and

Mr Reagan insisted, how-ever, that he was not seeking

an arms race with the Soviet Union and said, he had no intention of building his con-

troversial MX intercontinental

"Our country has never started a war, and we have never sought, nor will we ever develop, a strategic first-strike capability," Mr Reagan

Mr Reagan said there was a "democratic revolution" going

on in the world. "The tide of history is with the forces

raing to Central America.

and so are we,"

those who fall to understand this do so at their peril."

to feel his age ond, what is candidate of the Right, like worse, to show it. His hearing lapses are becoming more frequent, bis attention span is get the party almost beyond reconting oever shorter and his rambling reminiscences and anecdotes more disconcerting. Uone of this augurs well for a two-term Presidency stretching nearly to bis 78th birthday.

One theory maintains that Mrs Nancy Reagan is determined not to let her husband exhaust himself or visibly decline in office. Now that the economic recovery is clearly under way, that America is "rebuilding its defences" and that inroads have been made into "big Govern-ment," the "Reagan revolution" has unmistakenly been attried.

persuade him to retire with honour, if not glory. As former actors, both Mr and Mrs Reagan realise, it is said, that it is best to leave the atage while the crowd is still opplauding. If Mr Reagan were lo decide not to run, there would be a deluge for the Republican Party

His wife could therefore

nomination. Many of Mr Reagan's own Righl-wing supporters would probably refuse to back a Centriat candi-date auch as Vice-President George Bush or Senators Robert

the party almost beyond reconciliation for the final fight against the Democrats.

The Democrats would also represent Mr Reagan's withparty's failure. The Republican side, meanwhile, would have lost its greatest asset-Mr Reagan's attractive personality and the reservoir of awe which an incumbent President oute-matically commands. But if Mr Reagan does decide

to stand, will the pace of the current economic recovery then virtually guarantee his re-election? This appears to be the dominant market expectation in both the U.S. and overseas. But there are some clear indications already that the elections could be tougher on both the markets and on Mr Reagan than the equation between economic recovery and Reagan

Thus the economy could be no more than o neutral factor

for Mr Reagan In an election dominated by other issues, such as foreign policy, arms control and perceptions about the President's "unfairness" between rich ond poor. The Democrats are firmly con-vinced that the latter is their best issue. Mr Reagan scores badly on all three in the polls at present.

If Mr Reagan looks like overcoming these bandicaps, the most ominous uncertainnes of oll could arise for investors, lronically, from a resurgent President Reagan returning to the White House for a second

The markets still appear to believe firmly that there will be major action to reduce budget deficits from 1985 onwards. But popularity might suggest.

Firstly, the economy is unlikely to be the only issue in the election. By November, 1984, it will probably be performing neither disastrously badly, nor spectacularly well. The current euphoria about the economy could easily give way

Mr Reagan's instinctive opposition to all tax increases and his "indication" by the present economic recovery, coupled with his desire to brand Democrats as the party of high taxes, could produce an escalation of anti-tax rhetoric which will make it all but impossible for Mr Reagan's instinctive oppo-sition to all tax increases and



Reagan: beginning to feel his age.

Mr Reagan to restore the long-term fiscal balance of the U.S. Government.

The Presidential election could then set the markets on a course belween Scylla and Charybdis (the clashing rocks between which Ulysses had to sail). Would they bope for a second-term President Reagan, complete with ever-growing deficits, a possible resurgence of inflation and repeated monetary and fiscal crises? Or would they prefer a "traditional" Democrat in the White House for the first time since Lyndon Johnson left office in

Either way investors in the U.S. should prepare for a stormy

### Hurricane damage claims may top \$1bn

HURRICANE ALICIA, which wreaked havoc along the Texas week, could be one of the costliest storms ever for U.S. insurance industry. Early esti-mates suggest it could generale claims of over 51bn (2654m).

The storm, which cost at least 17 lives and caused chaos in

Texan cities such as Houston, comes at a bad time for the U.S. insurance industry which is facing serious pressures on its profitability.

The American Insurance Association says its preliminary figures on claims tesulting from Alicia total \$675.5m and Gab Business Services, a major U.S. loss adjuster, estimates claims will top the Stbn mark. Hurricane Frederick, which devastated devastated the coasts of Alabama and Mississippi in 1979 and cost some 8752.2m, was the

last major storm to generate beavy insurance losses. Hurricane Betsy, which cost U.S. insurers \$715m in 1965. remains America's costless storm in inflation-adjusted

AP-DJ adds: Alicia " is going to make the third-quarter results look worse than they otherwise would," said Mr Michael Frinquelli, an analyst at Salomon Brothers, "But it's going to help in 1984" by accelerating the turnaround in rates, he added.
Insurers have been slashing

their rates on commercial insurance policies since 1979, because they have had available a huge pool of capital. Big insurers have flown hundreds of extra claims adjusters into the battered Galveston-Houston area in recent days. Analysts believe the company hardest hit by hurricane claims is likely to be State Farm Mutual Insurance.

#### U.S. inflation rate drops Pershing test flight plan

ing to Government figures.
For the first seven months of 1983, retail prices rose at an gain.
annual rate of just 3.2 per The
cent, compared with 3.9 per
cent for the whole of last year.
cuts Prices over the last 12 months have risen only 2.4 per cent-the smallest gain in 17 years. The figures, released on Mon-day, also showed that a modest 0.4 per cent increase in gasoline

WASHINGTON — U.S. con-sumer prices, beld in check by falling food costs, rose a moder-aic 0.4 per cent in July, accord-2,7 per cent lower than a year The 0.1 per cent drop in food

prices resulted largely from cuts in meat prices, a trend which is likely to be reversed next year. Food prices overall dropped 0.3 per cent in June, the steepest one-month plunge seven years.

#### WASHINGTON-The U.S. army Mr Caspar Weinberger, U.S.

overall rise in June's consumer price index. Those prices were 2,7 per cent lower than a year ago, despite May's 4.2 per cent surge and June's 0.7 per cent gain.

The 0.1 per cent drop in food down the overall rise in June's consumer is prepared to conduct one of Defence Secretary, last week the final test flights of its new expressed confidence that the Persbing 2 ballistic missile in Persbing missile test procarly September after X-ray gramme would be completed in the checks to make sure its engines are clear of a problem that ment of the weapons in West destroyed a test mustile line. destroyed a test missile late Germany starting in December.

army spokesman, said technicians had discovered that the failure which caused destruction of the Pershing in late because of checks, will July was due to "an anomaly place in early September, with that missile alone."

The army claims 12 successes Major Robert Pilnacek, an in 16 lest flights of Pershings army spokesman, said tech-Major Pilnacek said he expects the 17th test, which has been deloyed by about four weeks because of checks, will take

Highlands Fabricators, Nigg, Easter Ross.

This is 40,000 tons of steel. The largest, single piece jacket so far constructed, anywhere in the world. It measures 695 feet from base to top and was built, and delivered on time, here, in the Highlands.



If you would like to know more about what is happening in the Highlands and Islands,
write for a free copy of our 1982 annual report to the Press and Public Relations Branch, Highlands and Islands Development Board, Bradge House, 27 Bank Street, Inverness IVI 1QR. Telephone 0403 234171

vestors have been encouraged by a huge range of government subsidies, interest-free loans

The profits made from agriculture and work on Government projects are being ploughed into real estate developments and more modern

trading businesses. In one provincial town, Khamis Mushait in Asir, there is now a hotel of the same standard as

the best in Riyadh and Jeddah.

prompted the Committee for

Middle East Trade (Comet), the British Government's export

promotion agency for that reginn to publish a special

The report covers the building of military bases, which have already been responsible for much of the development

in Tabuk and Khamis Mushait, agriculture, water resources, industrial estates, banking in the provinces and the system

There are other chapters on

own agents in the provinces

and on the leading merchants

in each provincial centre. The

last of these lists some 100 trading bouses, with comments.

The type of development under way in the Saudi pro-vinces is particularly suited to British companies. Comet saya.

The British have not been suc-

cessful in winning the type of mega-contract associated with

Riyach and Jeddah or the industrial cities of Jubail and

Yanbu, but they are regarded

on their activities.

pros and cons of exporters and contractors appointing their

of provincial government \_\_\_

report on the country\*

The provincial boom bas

and support prices.

FRONTIER

Michael Field analyses the background to a successful regional development policy

Saudi Arabia nurtures its provinces

Saudi Arabian Provincial Spending

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SSELS CHICAGO

Petroleum Examples in Baku in September. One of the Boconor part-ners, Norwegian Petroleum Consultants, booked a con-

The formation of Bocopor is a follow-up of earlier efferts energetically backed by Norway's Export Council and Trade Ministry—to give Nor-wegian industry a head start

nearby market.
Partners in the new firm are, in addition to NPC. Det Norske Veritas (rigs and

Singapore bus deal COACHBUILDERS." Walter

Alexander of Falkir' in Scotland have won a £6m order to supply 400 donble-decker bus body kits for the Singapore bus service, Mark Meredith reports from Edinburgh. The kits are to

Mercedes Benz underframes.

undeveloped ar Arabia which

Arabia which are always referred to in the Kingdom as

"the provinces" seem to have been little affected by the fall in

In the first four months of the

current financial year from April, spending dropped by 6

per cent compared with the previous year. The Government

has given no breakdown of where the reduction in spending has been greatest, but major

projects in the big cities seem to have been delayed, rather

than smaller provincial develop-

Part of the reason why the provinces are surviving the cuts

relatively unscathed is political.

disturbed by the Mecca uprising in 1979, when a large group of

religious fanatics, many of them recruited in rural ereas, occupied the Grand Mosque.

The rebels were not inspired

by economic grievances, but the

Government realised that if its people in the provinces felt

would be more likely to rally

to any rabellious preachers who

Direct Government spending

began, has gona to the construc-

might appear in future.

BY LYNTON McLAIN

N. Atlantic routes

Atlantic this winter bas been avoided with the agreement yesterday by airlines flying the route to raise first class and economy fares by about 12 per cent and launch a cut-price mid-week £249 fare between London and New York. Standby fares on the routes are to be dropped for the winter.

The economy fare is to rise 17 per cent to £199 single. First-class fares will go up by 3 per cent to £993 single and club-class fares will rise by 24 per cent to £449 single, all with effect from November 1, compared with fares last winter.

The member airlines of the International Air Transport Association avoided a split Association avoided a split to the processed special economy. after Pan American agreed to attend a tariff co-ordinating meeting in Montreal earlier this month. Pan American had threatened not to attend the meeting if there was no pros-pect of harmony and a simplifi-

cation of fares.

LATA members had until yesterday afternoon to telex any objections they had to the fare proposals. No airlines objected by the deadline and the fares are expected to be introduced on north Atlantic U.S., starting on September 15, subject to approval by the two

The new £249 London-New York return fare is an advanced cent higher than last year.

FARES war on the north purchase excursion fare. It has tighter restrictions than the £286 APEX fare of last winter and requires passengers to book

> British Airways, one of the airlines on the route, said last night that a normal APEX fare will stiff be available at £298.

the proposed special economy fare. This la expected to be cheaper than the standard economy fare, but will only be available to passengers who do not require to make inter-connections with other air services. It will also only be available as a single, with the return fare at double the single

### Saab-Scania contract for **McDonnell Douglas parts**

BY DAVID BROWN IN STOCKHOLM

division will supply advanced aircraft components worth SKr 100m (£8.4m) to the McDonnell Douglas Corpora-

tion in the U.S.

The multi-year contract in.

volves spoilers of a carbon fibre composite for use on the range of carbon fibre compoupdated DC-9 super 80 com-mercial airliners, MD-82 and

The deliveries are to commence in mid-1984 and will eventually reach "several eventually reach "several hundred" spoilers in all, according to Mr Hans Anders-son, a company official:

Each aircraft has six of the components, which are used to reduce airspeed and lift. Garbon fibre composites are 15

SAAB-SCANIA, the Swedish operating economy. car. truck and aerospace group. The California-based aircraft company bas also purchased inner wing flaps for its DC-9 series under a continuing contract with Saab aerospace which was aigned in 1977 and

> nents in connection with a new Swedisb multi-role combat aircraft, the JAS 39, one third of which will be built of compo-sites. "This order is important because we can now start high volume production," said Mr

Andersson.
The aerospace dlvislbu reported four months' sales of SKr 505m this year, compared with the SKr 328m achieved

45 days ahead, instead of the usuai 30 days.

The decision to drop stand-by fares on the North Atlantic this winter follows a decline in patronage for this type of cheap fare. Only 3 to 4 per cent of BA'a fares this summer came from stand-by tickets, compared

in the provinces since 1980, when the third Five Year Plan The airlines last night were tion of rural roads and schools and programmes to connect villages to the Kingdom'a elec-tricity grid and telephone still working out their fare details before making comprehensive statements about the new fares. It is understood. however, that the first class and In the northern province of Hail, which in 1980 was given a economy fares to come into effect from November 1 will be between 12 per cent and 14 per

telephone system. Nearly 7,000 plots of land of an average 100 acres each are about to be given to farmers.

TABUK

In the same province the Ministry of Rural Affairs bas drawn up plans for 50 modern new, dynamic governor, Prince Muqrin bin Abdel-Aziz al Saud, villages, incorporating clinics there are now 1,040 miles of agricultural roads under conand tarmac feeder roads connecting them with the main struction and a further 825 miles about to be started. In Hail, as in other provinces,

During the rest of this year. In Hail, as in other provinces, in Qassim and near Khamis 17 villages in the province will the expenditure of the last three Mushait in Asir, as well as at be connected to the national years bas run well beyond what Hofuf, Mecca, Medina, Hail and

envisaged in the Third The help which the Government bas given to provincial development by stimulating private aector investment in industry and agriculture has been Much more spectacular has spending on infrastructure. It bas under construction, or

at various stages of planning, industrial estates near Buraidah

Tanzania signs

with E. Germany

DAR ES SALAAM-East Ger-

many has agreed to supply 10,000 hleyeles and other manufactured goods in exchange for Tanzianian coffee,

cotton, tea and tobacco in a barter agreement signed this

week, according to Radio

The pact, which takes im-

mediate effect, followed five days of talks between trade

representatives of the two countries, it said. East Ger-many has also agreed to send

medical equipment, textile dyes, livestock, drugs and

soap in return for Tanzanian agriculutral products.

Tanzania, AP reports.

barter deal

Tabuk. In Qassim there are already 25 factories built, but elsewhere the establishment of new plants has been affected by the downturn in private sector investment in the Kingdom as

Much more spectacular has been private sector investment in agriculture. This has happened on such a scale that the Kingdom, with a population of some 8m, is expected to become self-sufficient in wheat in 1984 or 1985. Agricultural in Street, London SWIY 6AX.

### Pakistan set to continue

KARACHI - Pakistan will not Indonesia bas led the way, infollow other third world coun- sisting on barter for deals with tries in demanding its in-dustrialised trading partners conduct commerce with it on a Haq told the seminar barter basis, Federal Commerce Secretary Izharul Haq said,

conventional trade

Barter would be difficult to integrate into the country's import policy, since most purchases were made by the private sector; and it would so against some: international trading rules; he told a trade seminan

Barter, which eliminates the need for money and assures importing countries a market for their exports, bas gained favour among developing countries as bank loans bave been drying np. Reuter

Hag told the seminar Pakistan planned to continue its policy of selective tariffs on imports to belp domestic industries develop. But it would not resort to total bans on foreign products, he added.

He said Pakistan still faced a penennial deficit in its foreign trade, despite an upsurge in exports since 1979. Ha blamed this on high prices for imported commodities such as rice, which

### Norwegian companies form oil consortium

By Fay Gjester in Oslo

SEVEN LEADING companies in Norway's offshore related industry have established enew concern, Becomor, which will seek to win orders in connection with petroleum exploration and development in the USSR's part of the Barents Sea Boconor stands for Barents Offshore Consortium of Norway. Its initial share capital is NKr 1.4m, with each member holding NKr 200,000 (£17,722). It will be represented at the Soviet Petroleum Exhibition in

tract from the USSR four months ago. Under that deal, which involved the cooperation of the other six, NPC undertook to draw up a blueprint, with price estimates, for the exploration and development of several fields with different parts of the USSR's Barenis Sea shelf. The blueprint, or "master plan," aimed to show what goods and services Norway could provide, if and when the USSR should step up its Barents Sea search and find fields worth exploiting.
To date, the Soviets have

to care, the soviets have drilled only e few wells in the area, and have reportedly found. "traces." of bydrecarbons in some of them.

ahips classification, materials testing, quality control; Geco (seismic surveys); Kangsburg Vapenfabrikk (state-owned electronics and engineering farm — which also makes weapons); Moss Shipyard (representing the Ryaerner heavy engineering and fabricating group); Stord Shipyard (representing the Aker fabricating group), and Norwegian Contractors (producers of concrete platform founda-

assembled in Singapore for 200 Leyland chassis and 200

### Joint polyimid venture for Rhone-Poulenc and Mitsui BY DAVID MARSH IN PARIS

nationalised chemicals group, bas signed an agreement with

larly in electrical equipment, the cars and aerospace industries and other forms of precision engineering. Garbon fibre composites are 15 during the same period in 1982.

The collaboration is the latest agreement to in a series of Japanese joint necessary technol traditional alloys and improve deliveries of military aircraft.

of Tokyo covering joint manu-facture and marketing in Japan of specialised polyimid resins. The two groups are to set up a jointly-owned 50-50 concern, called Nippon Polyimid Company, to bandle Japanese activities in the resins, used particu-

RHONE-POULENC, the French few years by Rhone-Poulence also covering agrochemical pharmaceutical, film and sili The company's stake in the

joint venture will be held by its speciality subsidiary Rhoneilenc Specialites Chimiques. The French group bas already co-operated for several years with Mitsul Petrochemical in developing polyimid resins, sold under the brand names of Ker mid and Kinel. Rhone-Poulence the sole world maker of polyimid resins, has signed a licence agreement to transfer the necessary technology to the new

### **ENERGY REVIEW**

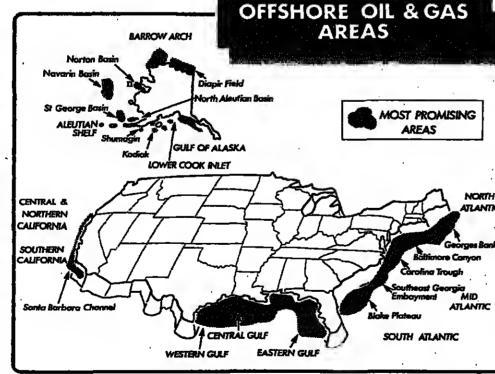
### U.S. offshore lease programme faces stiff fight

TODAY'S AUCTION of offshore oll leases in the western Gulf of Mexico looks like being another bonanza for the U.S. Department of the Interior. While the sums raised are not expected to match the \$3.4bn raised in another Gulf sale in May, the big oil companies are lining up to bid for acreage in one of the biggest offshore lease sales in U.S. history.
Their enthusiasm for extra

acreage at a time when there is considerable excess production capacity, particularly for natural gas, seems strange at first sight. However, the oil companies interest is fuelled partly by their need to increase their long-term reserve levels and perhaps more important by a fear that they may never get another chance to win so much acreage at one go. Il Congress has its way the current sale might be the last for some time. The oil companies' fears are not without foundation. For decades the U.S. Federal Governmen, which owns all the offshore acreage from three miles seawards and beyond (the states own the acreage close to shore). has released tiny parcels of acreage on the Outer Continental Shelf (OCS) for exploration purposees. In the 28 years to 1982 21m acres or just 2 per cent of the OCS bad been leased.

Interor drew up an ambitious five-year plan which invoives some 1hn acres being considerd for leasing, equivalent to the entire OCS.

actions, some of which have approved by the Republican per se and the oil combeen successful in delaying controlled Senate and it is pany and Administration camps lesse sales. However, his understood that there is wide-which believe that an increase biggest challenge is coming spread sympathy for the mora- in leasing activity is essential



from Gongress which is considering several Bills which could jeopardise the entire five-year OCS leasing programme. year OCS leasing programme.
The main threat is concentrated in the Democrat-controlled House of Representatives which has passed a Bill covering next year's budget for the Department of the Interior which, in effect, refuses money for the conduct of future lease asles. This will result in a moratorium of at least a year on auctions if it is passed.
The House of Representatives had indicated that it believes had indicated that it believes that the moratoriums should be could cause.

Mr Watt, one of the most consider this when it reviews controversial figures in the U.S. Administration, has been subtected to a barrage of court. The Bill atill has to be

While one of the Administratlon's aims in accelerating Its
offshore leasing programme
sharply was to boost its
revenues, the main purposo of
the five-year programme was to
reversee the steady decline in
U.S. offshore oil production.
The U.S. geological survey has
estimated that offshore drilling
could provide as much as 56
per cent of America's future
domestic crude oil and 36 per
cent of Its future natural gas. cent of its future natural gas.
Consequently the controversy
surrounding the OCS lease sales
has polarised between the
strong environmental lobbies
which oppose offshore drilling

torium for offshore leasing for the future security of activity amongst senators from Massachusetts and California in particular.

While one of the Administration's aims in accelerating its offshore leasing programme "open-leasing" plan is the single most important factor behind most important factor behind the upsurge in Interest in the Gulf of Mexico. Previously the Government had selected sale tracts from among those nominated by the oil industry. Typical bidding would be limited to 75 to 175 tracts selected by the U.S. Department of the Interior

of the Interior.

The area wide lassing procedure, first introduced in the mid-Atlantic offering last April puts the onus on the oil com-panies to choose the area which they want to bid for. This makes it more difficult for the indus-try to isolate potantial prospects hut oil companies prefer the

The new leasing programme marks a fundamental change in U.S. attitudes

to its offshore energy resources and has run into strong criticism. William Hall in

New York explains

The change in leasing tactics reflects Mr Watt's free enterprise philosophy and his bellef that the oil industry rather than government specialists in Washington should decide which tracts they would like to bid for. The Department of the Interior still reserves the right to refuse bids and is anxious to stress its environmental record (a total of only 791 barrels of

sources and one of his missions at the Interior Department bas been to overbaul tha U.S. offshore lease programme which ha described as "convoluted, duplicative and in disarray."

When he took over tha Interior Department he was dis-Interior Department he was dismayed to find that the U.S. was the only country whose offahore oil production was declining and it had fallen by a third in the previous decade. In addition, he found that in 28 years only 2 per cent of the Outer Continental Shelf had been continued to the proposals with the result that half of the proposed sales so far have been delayed in the first year.

The amount of money the continue leased Previous policies called for the government to continue leasing at only one tenth of the Department of the Outer Continuantal Shelf programme.

However, opposition has continued to the furore he created when recommended that tracts in the Santa Maria basin off California be offered for sales so far have been delayed in the first year.

The amount of money the U.S. Administration hoped to raise from the lease sales was over the lease sales was offered for sale. Less than 18 months after the lease were issued a giant of lifeld had been discovered which may be the biggest since overly ambitious initially but officials at the Department of Mr Watt is fond of telling his

CRUDE OIL AND NATURAL GAS Estimated U.S. offshore resources to the 2500-metre water depth Natural gas cu. ft.(trillions) Crude oil barrels (bns) ldentified undiscord fdentified Atlantie Coast 23.7 71.8 6.9 Gulf of Mexico Pacific Coast Entire nffshore Entire U.S. (Onshore plus offshore) 54.8 82.6 369.0 Source: U.S. Department of the Interior, geological survey,

Mr Watt's plan to accelerate sharply the development of the U.S. oll and gas resources from the Outer. Continental Shelf, which takes in all Federal-owned waters from threa miles offshore, was finally announced last July after close to two years of debate, much of it controver.

of dehate, much of it controver-(a total of only 791 barrels of oil have been loat due to loss of control at the well head out of over 4bn offshore barreis produced over the past decade).

Neverthaless, Mr Watt is determined that offsbore oil and gas should provide a growing part of the country's resources and one of his missions.

The plan is that there will be 12 lease sales in the Gulf of Mexico, 16 in offshore Alaska, 4 off Galifornia, 8 off the Atlantic coast and one re-offaring sale. The timetable called for five sales in 1982, seven in 1983, eight in 1984, nine in 1985, eight in 1986, and four in the first half of 1987.

The sales off Alaska are of particular interest because of the fact that they involve areas helieved to be of high potential which bave not heen explored. The Alaska Outar Continental Shelf contains 35 per cent of the Shelf contains 35 per cent of the estimated undiscovered oll and gas resources and Alaska contains over half the total offshore acreage of the Outer Continantal Shelf programme.

However, opposition has continued to the proposals with the result that half of the proposed sales so for howe hear delived.

1 per cent a year even though estimates suggest that two thirds of all the oll and gas yet to be discovered in the U.S. is expected to be offahore. the Interior believe that despite the attacks on the programme which continue to proceed through the courts, the new policy is beginning to show policy is beginning to show results in terms of its basic objective of stimulating explora-tion in U.S. offshore waters.

Mr Watts notes that offsbore over the past year and pro-jected oil resources for the entire OGS are equivalent to 20 years of imports at 1981 rates. Projected natural gas reaources are estimated to ba sufficient to heat 23m homes for 50 years.

It is still too early to judge It is still too early to jndge the success of the U.S. Administration's ambitious offshore leasing programme. Some of the areas which have been up for lease bave flopped badly, attracting little attention from the oil industry. Meanwhila there is a widespread view, not all of it external to the oil industry, that too much acreage is baing put up for lease. This is a wasteful since it means that resources are squandered in trying to pick the right area hut ao far this fear has proved relatively groundless.

Mr Watt notes with pride

FIVE-YEAR LEASE SALE PROGRAMME Federal offahore oil and gas plan for August 1982-June 1987 Number of leases Acres South GULF MEXICO 12 Eastern Central Western Others\* PACIFIC Central and N California 37 ALASKA Barrow Arch 2
Cook Inlet/
Gulf of Alaska 1
Diapir Field 3 Kodlak Naverin N Ainelan Basin St George Basin

Totals . Sale 69 (Gulf of Mexico) is scattered among three planing areas and its acreage planing areas and its acreage is incinded in those areas. It Resale 2 inclindes the reoffering of certain tracts in the Lower Cook fulet/Shelikof Strait, Central and Northern California, South Atlantic and mid-Atlantic areas covering 3.2m ecres. Source: U.S. Ospartment of the

critics who argue that he is doing too much too quickly. Mr Watt is a more flamboyant figure than many of his pre-decessors and his career has attracted an unusual amount of controversy. His efforts to speed up exploration offshore have galvanised opposition from the garvantsen opposition from the environmental lobbies in particular and there are those in the oil industry who wish he would advance his cause rather more quietly and slowly.

SYDNEY TAIPEL SIEECHT VIENNA

One of the first acts of the new Reagan Administration was to speed up the process of leasing offshore acreage and Mr James Watt, the Secretary of the

The new leasing programme unvelled just over a year ago marks a fundamental change in U.S. attitudes to its offahore oil reacurces and has attracted flerce criticism. Much of it atems from environmental fears about the damage which widespread U.S. development of the OGS

### Financial Times Wednesday August 24 1983

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### The Soul of a Jew

SEVEN LAND.

In Norway's office new concerns to the concerns to the exploration with a continuous of the statement of the the capital and capital and

Partners in the holocaust museum in Jerusalem, are, in addition to Diaspora or homeland is a Norske Verius to desperately argued dichotomy ships classification for the contemporary Jew. As Institute, quality to the contemporary Jew. As Institute surrection.

Seismic surrence I can appreciate that Sobol's Vapeofabrik (25, play initiated public debate in dictionics and a Israel last year, but the huge firm — which as disappointment of Gedalia (representing the



Doron Tayori

Besser's production is that It deals only theoretically with the subject. Doron Tavary as Welninger presents a tortured pupper of coofused emotion. The awful thing is that Jewish sensibility is sentimeotally con-fused with sexual trauma.

humilisted in o brothel by innocence meeting his father, bumorously murderer. abused by his mother ta very Sadly, the Oxford Revue fine actress, Leora Rivlin) as she plucks the feathers and subsequent skin off a chicken and recent low Oxbridge standords. sexually obliterated when Glara

The most striking element of

A dwarf of stature

the production is the apparition Weininger's double, played by Tehlya Danon os a tran-sexual liberated after ego. One moment of pure Magritte sees Olio gazing in the Viennese gilded mirrors of Adrian Vaux's dealgn at his own rear view. But really one is only left wondering whether Otto wants to be a good Jew or, more probably, a

It certainly makes a change from all those alternative comedians on the fringe. Eric Bogoslan, perhaps the most vaunted among them, is a quickfire American who has heen mistakenly likened to Lenny Bruee, Compared to the first allernative solo acis of o decade ago tike Jango Edwards and Farid Ghopel, he is nothing

Victor Spinetti, on the other hand, like Bogosian, appearing in the Assembly Room, is very special indeed, and not really alternative. He makes you laugh, for a slort. A hrilliant actor, as we all know, Spinetti and the spinets of the spinets. entivens a likeable, rambling show, with some marvellous stories about his days on the Beatles films and his friendship with Mariene Dietrich. He ends with his celebrated drill sergeant routine from Oh What

Theatre of Brent's The Messloh, Patrick Barlow is now fused with sexual trauma.

In a series of flashback we see him ostraclsed by friends, humilisted in o brothel by innocence of a retarded mass.

Now, if you will exeuse me, I (Dollo Sbimko) removed her must go and lie down for an

MICHAEL COVENEY

### THE ARTS

Had the Gersbwin brothers skipped a generation or two and re-surfaced in the South Bronx, or even Laverpool, with a latter-day version of Porgy and Bess, some hard thinking would have to be done about the lyrics. The words of "Summertime," for Instance, might seem singularly inappropriate in the light of Central's documentary on The Bronz, Here there were few consoling thoughts, passed between mother and child, of the living being easy in summer months. No happy Images of fish jumplng in the streams. In the Bronx today tho talk is of welfare cheques, of naming your children after a favourite

Itall. In summertime, as the television schedules acknowledge, our citles burn. Some 10 years ago we became accustomed to the sight of American cities oblaze during the annual vacation. The rampaging and looting were taking place, we assumed, because the weather was hot and the blacks were angry. But as Central's film crew covered the Bronx. roaming across tenement blocks, surveying the debris, other dis-quieting facts emerged. It seems that the landlards shared

a common interest with the arsonist io the burning of buildings. Between 10 and 15 properties burned each night during the early-1970s. The city planners kept o low profile, knowing that the South Bronx presented a test ease to the world of urban decay and potential redevelopment. During the film of succession of weary presidents

were observed touring the sights and asking for support. Even the Pope came to the Bronx 10 proy for new housing. The Bronx told its atory clearly with touches of real visual bite. A group of tenonts arrived in court to confront their landlord about his fallure to earry out vital repoirs, only to learn that the building had changed owners. "How can you sue me If my name is not on the lists?" asked the new

Iandlord cagily.

The bead of paediatries at the local hospital ran through some disturbing statistics concerning the birth-rote, There were bables whose mothers were heroin addicts. Most of the people here," said the doctor, "bave never lived out of medi-care." Meanwhile there were misdemeanour bis defence is signs of resistance among the elear. "I'll be dead good.

#### Television

Peter Ansorge

### Summertime blues

populace. A museular biack man had organised a self-help group and a football team. A young mother was seen trying to track down the name of her newest landlord. The planners, alongside on uncomfortable Mayor Koch, opened a modern opartment block. "This build-ing will be vandalised," bis brand of shampoo, of "planned shrinkage" on the purt of City number-two announced to an apathetic crowd of Bronx-dwellers, "over my dead body."

By way of contrast Everyman (BBC 1) presented The Stiracle of Intervole Avenue. "I'm a Jew. I'm also a cop," announced the narrator, as we began a more personal tour of the South Bronx. Cheerfully side-stepping the blacks and the Hispanics, the cop led us to the last survivlng synagogue in the area. This seemed to be largely inhabited by people who "claim lo have been 70 for the last eight yeors," presided over by a wily baker and self-proclaimed community leader—one Moishe Sacbs.

The film seemed a confusing rag-bag of incident and anecdote made by Public Broadcasting In America for home rather ing in America for home rather than foreign consumption. Asked obout his connections with the Almighty, Moishe snapped: "Have you got a connection Upstairs? Give me the number and I'll dial it." Mrs Miroff, an elderly tailor, was brought fruit and vegetables by a gang of young blocks. "They're burns," she stressed firmly to the camera, "Bums don't squeal."

Billy and Icky ore two bums from Liverpool with definite ideas about where to spend the summer holidays, including the last school term. They are the truant heroes of Willy Russell's six part all film drama series One Summer over which one or two people hove been raising eyebrows. At first sight Icky seems to be the more hopeful of the two boys. A wiry indivi-dual with lorge sagging eyes, Icky has a very good line in



Spencer Leigh (left) as Icky and David Morrissey as Billy in "One Summer."

Honest." Addressing a suspi-cious hen on a farm in North Wales he is oble to look the fowl directly in the eye. "Either you tell us where the eggs are or we'll be baving roast chicken." His mate Billy has more of a social conscience. It is Billy's idea to spend the summer in North Wales outside of Toxteth. To this end he bas stolen bis mother's bingo winnings, done a bunk from school, and brought Icky olong for the fresh air.

Towards the end of the first episode there was a glorious moment oo Lime Street Station. Having blown most of the money on Mars bars, crisps and Penthouse magazines at the kiosk, Billy and Icky proceed to the ticket office. They ask for Wales. "Whereabouts in Wales?" comes the belpful reply. Billy gives this some thought, "Dunno," he answers with the blissful ignorance of one who has never sat through a geography lesson in his life.

In o more recent episode the poir team up with a Yorkshire teacher who has retreated to o

farm on the Welsh hills. After breaking most of the plates in the house, and steoling replace-ments from a neighbour, they rescue the farm from an ugly altack by a trio of Welsh nationalists (the countryside as well as the city has its gangs). The teacher (an excellent performonce by James llozeldine) allows them to stay. Late in the evening be draws out the painevening be draws out the painful truth from leky. The boy cannot read.
The Press have not warmed

to Icky ond Billy, The Observer describes them, not untypically, "the Liverpool ilorrors. The negative response might have something to do with Willy Russell's own lock of regard for the series. Russell's name does not oppeor on the credits because he felt that Icky and Billy should be played by genuine 16-yeor-olds rather

did Gentral's recent quartet of ploya by David entitled Made In Britgin. Russell clearly believes that reading would be a skill worth acquiring by Icky. He also has a sense of humour. Leland presented far more apocalyptic ideas such as the fact that unemployment outside the school gates made any learning going on inside practi-cally worthless. Ten years ago our radical dramatists were accusing the comprehensives of turning out mere factory fodder. Today the accusation is different. The schools are not turning out factory fodder. The factories have disappeared.

The real problem with One Summer is its length. As a 90-minute film it might have proved unforgettable. At its proved unforgetiable. At its present leisurely pace it moves you only in fits and starts. Here, like leky at the end of episode three, I had better come clean. For the past five years I have worked as a relevision producer in one of the BBC's drama departments. During that time 1 have seen the ambitions of dramatists the ambitions of dramatists escalate out of proportion to the resources ovailable. The advent of Film On Four, to-gether with the growth of the independent sector, have served to highlight those authitions in recent months. Without the ducers eannot attract the brightest names to their eause. This has left both the BBC and ITV with plenty of studio space to fill, while the heavyweight names attempt to revive the film industry. The consequences could be seen in BBC 1's play
Bazoor And Rumminge which fined to a single studio set, of series of smart, patronising jokes concerning aporaphobia whizzed past the viewer at breakneck speed. One hopes li is not a precedent.

The Wine Progromme (C4) has cracks about Calitornian plonk, the eult of the grape and the shameless freeloader Auberon Wough, No remarks about the ilver though Icky and Billy should be played were promised. In Opinion by genuine 16-yeor-olds rather (C4) Mike Brearley lamented than the two older actors who have been given the parts. I can see what he meons.

The promised in Opinion (C4) Mike Brearley lamented the coming of the Govers. Rain, he onnounced to the faithful, "bad played its nourishing part Even so the series, mode by in the vagaries of cricket for Yorksbire and screened on the past hundred years." Now Channel 4, mines a for richer they were summers to remem-Channel 4, mines a for richer they were summers to remem-seam of ideas about education ber.

#### One could bardly think of o 2nd Quartet; Der Gecuristag expires broken-hearted; the nicer way for John Drummond der Infontin, also after Wilde. Infanta requests that her future nicer way for John Drummond der Infontin, also after Wilde, Iofanta requests that her future to leave the Edinburgh Festivat in 1921. They make a superb toys shall have no hearts. Now,

Contractors (press Airzander of fe programme, Alexander von Scotland hate in Zemlinsky (1871-1942) doesn't order to supply 5 look quite so prominent as that: Lecker tas body is, he gets his entree with "Vlenna Simpore has see 1900," the wider festival theme Meridith rose which prompts the major exhibition and much theatre.

some Alma Mabler, but no. Schreker, only Zemlinsky offers

the excitement of a discovery. Music-lovers who read know him as (o) Schamberg's only formal teacher (brother-in-law later), (b) the composer quoted by Berg in his Lyric Suite ond (c) the young Alma Schindler's teacher and lover before she met their mutual tdol Mahler. In recent years, music-lovers who listen have heard Zemlinsky's Lyric Suite, FIVE TERS IN modelled passionately on a close relotive—describes its fatal triangle even-handedly. Friederia and bis earlier, more strikingly strictly centred upon its implaction of the first original and Quartet. Edinplar is burgh's Zemlinsky (split, sadly, able hero.

August 1975 between the first and third The iron Ane irony and pathos of Wilde's other tale are so explicit that the opera can hardly intensify them. oct operas composed between

those works. They will be repeated tonight.

to leave the Edinburgh Festival in 1921. They make a superb than by choosing, for this year's featured composer, Schoen-double bill as produced by Adolf Dresen, who lets his designer Margit Bardy transported by Adolf Dresen, who lets his designer Margit Granted that the general lines of his score were fixed by the fable, the delicacy and

terms, but animates both faithfire the body is he gets his entree with "Vienna
Sumpore has me 1900," the wider festival theme
Merodith "Mes which prompts the major exhiblion ond much theatre.

The kis is On the music side, however,
the winding by the honoured period is other
to be shaded in the slow the honouries between the large to the Lyric Symphony; "Birthday of the Infanta" is something else, at once more persome Aima Mabler, but no

ine earuer black version of the farce that Ravel set as L'Heure espagnole, which concludes with a clockmaker selling his would-be cuckolders the clocks in which he found them hiding.

In the music the erring lovers are merely sketched, though Kennelh Riegel makes a haughtly lecherous Prince and Elisabeth Steiner a fetching slut. Where Puccini'o Il Tubarro

birthday the little Infanta la given a simple dworf from the ably exceeds Zemlinsky forest, and plays firstatiously hopes. If the opera is a with him for an atternoon, sity, it is nonetheless a b Eine florentinische Tragödie, with him for an atternoon. Safter Oscar Wilde, was finisbed When he discovers too late that on 1916, on the heels of the he is an ugly monster, he When he discovers too late that one:

LONDON

The Steeping Prince (Chichester): Rat-dgan's Coronation showpiece, very pretty to look at, with appropriately starry playing by Omar Sharit as o Balkan Grand Duke, Debbie Ed-wards as his American show-girl mistress and Judy Campbell as his handsomely eccentric wife. Peter Coe's direction is for entertainment and achieves it.

and acmeves it.

The Rivals (Olivier): Splendid National
Theatre revival, cunningly designed
by John Gunter to place us in the
middle of 18th century Bath. Geraldine McEwan takes a tresh, inquisi-

tive look at Mrs Malapeop, Michael Hordern is an unrivalled Sir An-thony. Peter Wood directs.

Hordern is an unrivalled Sir Anthony. Peter Wood directs. (3282252).

Blood Brothers (Lyric): Strong rock melodrama by Willy Russell about Liverpool twins separated at birth. Pop star Barbara Dickson, very like a young Gracie Fields, is superb as their grief-wracked mother. (437 3685).

Daisy Pulls It Off (Globe): Enjoyable

romp derived from the world of Angela Brazil novels: gym slips, bock-

ey sticks, a clifftop rescue, stout moral cooclusion and a rousing

school hymn. Spiffing if you're in that sort of mood. (437 1592).

Noises Off (Savoy): The funniest play

for years in Londoo, now with an improved third act and a top-class

replacement cast. Michael Blakemore's brilliant direction of back-

stage shenanigans oo tour with a

**Theatre** 

and achieves it.

dances with a wry twist, for example, but Zemlinsky'spretty and wistful—are most originally skewed. There is scarcely a routine detail, and the orchestra shimmers magicoily, perhaps with o touch of Schreker. (The excellent Hamburg conductor is Gerd Albreebt.) The vocal writing is apt and often lovely not only for the Infanta and her tenor dwarf but also for a quartet of servants and the expected chorus of twittering playmates. Inga Nielsen is the peri Infanta—a clever portrait that matches her poor little English Cat in Henze's recent opera at Schwetzingen. Beatrice Haldas makes much of her duennafigure, quite moving as she begins lo foresee the cruel end of the game. But the opera is earried by Kenneth Riegel's dwarf, a towering performance despite his having to wordle about with boots on his knees. The sharp plaintive edge of his volce is just right, and he acts with a bold subtlety that prob-ably exceeds Zemlinsky's best

hopes. If the opera is a curio-sity, it is nonetheless a brilliant

### Mahler & Swayne/Albert Hall

#### Max Loppert

secutive Proms went to Mabler's later on Monday evening, in Sixth Symphony. Klaus Tennstedt justified in it his reputation as one of the most powerful, his aims thus far. variety of the filling-out are remarkable. One expects courtly cogent, and authoritative Mahler interpreters of Ibe day; but the London Philharmonic Orchestra did not quite assert an equiva-lent Mahierian stoture.

> muggy, and intonation corre-spondingly fallible; flute, oboe, and horn solos were regularly flawed, chordlog (so important in this sympthony) was seldom true.

So It was o mark of Tennsledl'a powera in arguing, sus-taining, and dramotising eoch of the four vast movements that one accepted these faults as flecks on rather than barriers to the appreciation of a masterty performance. The Sixth is perhaps Mahler's most perfectly proportioned work; in this account of it one admired once again the peculiar balonce struck between its dark, despairing moods its sudden flights of fantasy, its evocation of dislant perspectives—all this in four movements easily comprehensible for their tout command of clossical structure.

The first of Monday's two con- in 1980, reached the Proms his aims thus far.

A seven movement creation. of nearly 90-minute length, for 28 solo voices (as in all pre-vious British performances, the ent Mahlerlan stoture.

The weather in the ball was nuggy, and intonation correnuggy, and intonation correwas also intended to undergo elaborate electronic treatment in live performance. Cry has been widely (though

not, as nascent myth would have it, unanimously) praised; tt looks set for wide popular success. It is a Creotion epic, a brilliantly conceived ond executed "vision" in vocal sound, a cunningly calculoted melange of Tudor "archilec-tural" polyphons, African tural" polyphons, African vocal device, Delius harmony, and what one might almost call a cinematic mastery in automoto the purely musical level a kind of soundtrack (created by singers themselves) of atmospheric effects. It is o big, bold, and, for a young com-poser, remarkable achievement; but I hove to coofess that it left me entirely unmoved and uninvolved, for it seemed (except Glles Swayne's Cry, first from offering any kind of played on Radlo 3, then given live at St John's, Smith Squore self-glorifying sentimentality.

### New York City Ballet/Covent Garden

#### Clement Crisp

I think Balonchine's Diverti- as if Schönbrunn were the The third section (to excerpts mento No. 15 a near-perfect ballel's location, and delight from Glass's opera Akhnoten) work of art. Mozart's K.257 ing so harmonious and sweetly reasoned, so elegant in its attitudes and so felicitous, that eye and mind rejoice. It opened the New York City Ballet's season on Monday night, and Mozart and Balanchine - in seeming unity of purpose—re. and Mr Lavery revelling in the vealed this peerless company at buoyant demands of his solo. its exultant best.

Musically the performance had its stringy moments, but the five bollerine and their three cavaliers who lead the cast were uniformly brilllant, grand. If Cost were danced, then it might look like this. with melody transformed into the ravishing voriations and duets which are the choreography's beart.

Elyse Borne, Maria Calegari, Stephanie Saland, Heather Worts and Merrill Ashley are a superbly contrasted quintet of principals-should one single out Calegari's exquisite line, Saland's opulent manner, Watts' elarity, Ashley's eoloratura sporkle, or Borne's radiont ebarm?—with Sean Lavery, Victor Castelli and Peter Frame their partners. Courtly good manners guide every moment,

beauty. One especial word of com-

mendotion must, even so, go to Merrili Ashley and Sean Lavery cutting diamonds of movement. and Mr Lavery revelling in the The centre of the programme

was Jerome Robbins' Glass Pieces, created in May this year, and set to minimalist compositions by Philip Glass. Like Fancy Free with its war-time today's New York.

The bockdrop is o vast expanse of graph-paper; in the first section (Rubric) three dazen dancers criss-cross the stage, purposeful as o mid-town crowd at noon, with three couples occasionally breaking from the berd. Focades, which follows, is a duet for Maria Calegari and Bart Cook — by

crowds on delight as the dances pits a group of men against the divertimento is clothed in danc- link in chains of unalloyed female corps in movement that seems lo stress their separate identity.

Glass Picces is notable as a commenlary upon o superin their solos, with Miss Ashley sophisticaled urban society, as the theatrical possibilities of minimalism. Whether it bas the beart - which Foncy Free and West Side Story have-to last, time will tell.

The closing Symphony in C musl surely endure as long as we have the wit to enjoy Sallors on leave, or West Side Balanchine's loving reolisation Slory's 1950's teenage gangs, of Bizet's youthful master-places is a vivid response piece. The dance sparkles, to its time and place, which is froths, bubbles like ebam-Balanchine's ioving reolisation froths, bubbles like ebampagne in three of the symphony's movements, with Kyra Nichols, Melinda Roy and Judith Fugate odmirable in leading roles. In the mysterious adagio Suzanne Farrell and Peter Martins wrought marvels,

moment with greotoess. This New York City Ballet season lasts for two weeks; it turns lyric and abrasive, and was made possible by the was made possible by the was made possible by the most subtly danced — set Midland Bonk, who deserve all against a crowd of women who our groutude; and it is a joy traverse the back of the stage.

their dancing touched at every

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Music/Monday. Opera and Ballet/Tuosday. Theatra/Wednes-day. Exhibitions/Thursday. A selective guide to all the Arts ap-

Riotously vulgar Broadway import that sits Gilbert and Sullivan on a whoopee cushion. (8368108).

#### **NEW YORK**

meeting during their second honey-moons. (575 9200).

despite the forced effort to recreat the career of a 1960s female pop group, a la Supremes, without the quality of their music (239 6200). The Corn is Green (Luot-Fontame): Emlyn Williams 1940 comedy about o middle-aged spinster who goes to Wales to start a school is lie second offering of Elizabeth Taylor's new repertory company, which, without a role for Miss Taylor has a cast led by Cicely Tysoo, directed by Vivian

plied the Mississippi and provided unrivalled entertainment, especially unrivalled entertainment, especially with this production's outstanding feature performers giving heart leh renditions of the 1927 Kern-Rammerstein songs like Ol' Man River, Bill. and Life Upon the Wicked Stage. (51st W. of Broadway, 5866510).

Agnes of God (Music Box): The fiery trio of Elizabeth Ashley, Geraldine Page and Carrie Fisher enliven a somewhat over-written clash of Ide-ologies. (2484638).

Nine (46th St): Two dozeo women sur-round Sergio Franchi in this Tony-award winning musical version of the Fellini film 8-%, which like the original celebrates creativity, here as a series of Tommy Tune's excit-ing scenes. (2480246).

creation of the Londoo hit. Top Girls (Public): After the Royal Court production enjoyed a short sold-out run, Caryl Churchill's rumi-

opens with a local cast including film actresses Linda Hunt, Kathryn Grody and Sara Botsford, again di-rected by Max Stafford Clark (5987100). nities (West Side Arts, 43rd W. of 9th Av.): The realistic portrayal of sadistic rape, with which the play opens, makes for uncomfortable but rich drama, and author William Mastrosimooe manages to maintain

(977 9370).

high energy levels to challenge an excellent cast led by Susan Sarandon and James Russo. (541 8394). On Your Toes (Virgima): Natalia Ma-karova with presumobly a genuine Russian accent leads an exuberant cast in the remake of Rogers and Hart's 1936 sendup of Russian ballet tours, complete with Slaughter on Tenth Avenue choreographed by George Balanchine and directed, like the original, by George Abbott.

August 19-25

(9779370).

Brighton Beach Memoirs (Neil Simon): If be wasn't sure before, playwright Neil Simon can expect o long run of his funny as well as touching childhood reminiscence now that the Nederlander organization generously decided to name the theatre after the generation's out-standing box office draw. (7578646).

PUZZLE No. 5,199 ACROSS

1 His property is "desirable" —even when t'gate's caten away (6, 5) Cutting saying (3)

F.T. CROSSWORD

9 Hard worker taking time out as greaser (5)
10 Something to cope with on the roof? (5-4) 11 One leaves the cast-poor creature (9)

12 Lifting the paper you hold (5) 13 Crashed Boeing left inside base (7) 15 Dog-food (4) 18 Conserve British doorpost

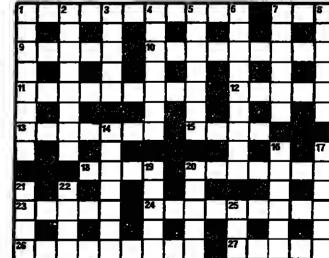
(4)
20 Laundry-bay (3, 4)
23 Man to become a Post-Impressionist (5)
24 Formerly, one taking care to dress king (9) 26 Bloomer in motor-race (9)

27 Who could overcome it (5) 28 Jute from urban community without a name (3) 29 Good seats for fashion-society (5-6)

DOWN 1 As confidential as strange 16 Phenol coteries (8) 2 Enduring ready-to-wear? (8) Brand of motor-charlot (5)

6 Number building pontoon? (6-3)

7 Begin coid (6)



3 The war over, here is the final tribute (6) 14 Dirty deal in underground system (5, 4) extracted from

17 Light aircraft for the brave?

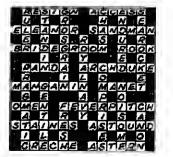
boracic lake (8)

5 Finish off English rodents (tailless) prevalent locally (7) piece left over (6)

22 Black shaft leading to grave-Begin spending winter mound (6) abroad and show signs of 25 More than one spoke of armbongs (5)

SOLUTION TO PUZZLE

No. 5,198



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### Arts Guide

pears each Friday.

enjoyable new Tom Stoppard play which examines a playwright's atti-tudes to work, music and love in characteristically well-written, comford Tanzi (Mermaid): Exuberant Trafford Tanzi (Mermaid): Exuberant play starring Toyab Wilcox that sets the battle of the sexes in a wrestling ring. This fringe success bas reopened the embattled City of London venue. (2365588).

The Pirates of Penzance (Drury Lane):

(836 8888). The Real Thing (Strand): Fascinating,

Private Lives (Lunt-Fontanne): Eliza-beth Taylor and Richard Burton add class to their own marital marathon with Noel Coward's frothy version of the reunioo of o divorced couple

moons. (9798200).
reamgirls (Imperial): Michael Bennett's latest musical has now become a stalwart Broadway presence.

third-rate farce is a key factor. (338888). Showboat (Gershwin): A clever pas-tiche of vaudeville and theatre works like magic in the story of life on the Cotton Blossom where shows

Amadeus (Broadhurst): David Dukes stars as Salieri in the sward-bedecked and elegant National Theatre production of Mozart's life.

Cats (Winter Garden): Director Trevor Nunn, fresh from the Broadway suc-cess of Nicholas Nickleby, bas his imaginative and frisky cats slink, slide and dance their way across a transfigured stage in this lavish re-

WASHINGTON

Porgy & Bess (Opera House): This 50th anniversary production of Gersh-win's classic American opera does fustice to the music and sense of community established in Porgy's desperate love for Bess in their squalid Catfish Row lives. Kennedy Ceoter (254 3770).

**FINANCIAL TIMES** 

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**Arms control:** 

a serious gap

The treaty, apparently an amplification of proposals made by Mr Yuri Andropov, the

Soviet leader, to U.S. senators in Moscow last week, seems wide-ranging. Full details have yet to be released, but Moscow says it would forbid the testing

or deployment in space of weapons systems "designed to

hlt targets on earth, in the

atmosphere or in outer apace."

It would not only prevent nations from testing and deve-

loping weapons designed to "kill" sstellites but would have them agree to "eliminate such

systems as are already in their

Initial U.S. reactions to the

proposed new treaty have been

cool. The State Department has noted that "in part" the new draft is aimilar to an old Moscow draft, also submitted to

the UN two years ago. It suffers, said a spokesman this week.

from the same defects of lack of clarity in the definition of

But any "serious proposal" from the Soviets would be

studied, the spokesman said.

Should the new Soviet move be treated seriously? Or is It

simply another Soviet propa-ganda ploy to wrong-foot the Reagan Administration with

posal, after all, on a delegation of Democretic senators.

Yet Washington's response so overcome.

THE SOVIET UNION has sub- outer space. But it does not

United Nations which would ban the testing and deployment of weapons in space, the key remaining area which is not the aubject of arms control negotiations between the super-powers to make military.

weapons systems, and lack of provision for proper verification.
But any "serious properate" see this expenditure development

U.S. and European public weapon. It would also be idle opinion? There is certainly a to suggest that such talks would

strong element of propaganda— not confront formidable difficul-Mr Andropov launched his pro-ties—though other negotiations,

far has been unconvincing. Even though many people he-There are good reasons for lieve that it is already too late

There are good reasons to achieve a comprehensive ments to space. For existing agreement to han weapons in international agreements on space, the Reagan Administration are defective in key tion should complete its arms

respects. In particular, units 1967 Outer Space Treaty pro-hibits the stationing of nuclear limits must be applied to this new dimension of the techno-new dimension of the techno-

weapons and "other weapons of mass destruction" in the logically driven arms race becarth's orbit, on the moon or other celestial bodies, or in financial control.

Difficulties

diately it centres on anti-satellite weapons. Bebind the

rhetoric. U.S. caution on the new Soviat proposals probably

stems from at least a technical lead which Administration offi-

cials say the USSR has in this

ing increasing use of space to

support military activities. U.S. military forces, for example, rely on more than 40 satellites for their long-range communica-

tions, for a variety of intelli-gence activities—including the

for navigation, weather fore-casts and mapping. The U.S.

space hudget is currer by some

real terms over the next five years, compared to a 7 per cent

rise in the defence hudget as a whole. The Soviet space hudget is said to be \$18bn annually. The military-indus-

It is probably too much to hope that the U.S. will agree to

open talks to plug the gaps in

existing space treaties before it

has tested its new anti-satellite weapon. It would also be idle

as on nuclear testing, have shown that difficulties can be

Both auperpowers are mak-

Wednesday August 24 1983

Europe." There had to be a "hlood-letting" at Raleigh, he explains. monitoring of existing arms control agreements—as well as There were as many as 25 or 26 directors floating about the 26 directors nothing about the place. Now we are down to eight, of which I am by fig the oldest at 50. That typifies the way we have gone through the business to carve out the overheads." \$15hn a year but ta planned to rise by 10 per cent a year in

VEN THE directors have The not been exempt from the axe at cycle makers

TI Raleigh over the recent troubled years. The latest chop, announced yesterday, will cut the number employed in the UK to only 3,500—little more only 3,500—lit

than a third of the workforce that in 1978 turned out some

2m cycles, many of them for sale in former colonies and far-

Until two years ago the com-pany was still riding high, proud of its position as by far the largest maker of cycles in

Europe. But the onset of the recession found it producing

over-priced machines and out of step with a fast-changing market. The story of how the company has been fighting its

way hack to health provides a lesson for much of Britain's manufacturing industry.

The managing director, Mr

The managing quecies, and Roly Jarvis, a relaxed accountant with a passionate belief in the Ford style of management argues that the "culture

ment, argues that the "culture shock" since he took over two

We are on our way hack. The

headcount might be down more than 60 per cent, but output is

"That is the right proportion. Now we must claw back volume and establish ourselves as the

To illustrate the changed management style in one of Britain's traditional companies, he points out that the directors' panelled dining room at the Nottingham headquarters has been closed.

He adds with relish: "we wid the antique table to buy a robot. We thought that would be of more use to the company." Mr Jarvis and Raleigh have heen on trial for the past two years by a group board that must have questioned whether a cycle operation established in the

early years of this century was really the place for the TI of TI's cycle and toy interests made a trading loss of £10.5m in 1981, and £7m in 1982. Now they are likely to break even this year and move into profit

Backing for phase one of the Raleigh recovery programme came in the f5m committed for investment this year. Even more significant was the group decision this month to authorise "with enthusiasm" another f6m for next year for cycle assembly activities plus several millions for the Sturmey-Archer

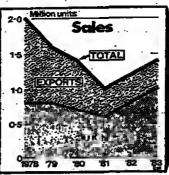
components business.

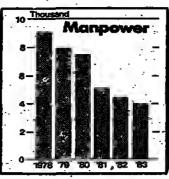
Mr Jarvis argues that the upheavals at Raleigh offer important lessons for the UK engineering industry, where he believes insufficient attention is paid to sales and marketing. He is scattung about the previous "constipated" decision-making within his own company, and

Raleigh was one of the first casualties of the recession. As casualties of the recession. As a leading exporter selling nearly two-thirds of its output overseas it was hit by the appreciation of sterling, and high interest rates also took their toll in a Talks are currently underway seasonal business with long the continuent has been underlined by the troubles in Iran and Nigeria. Talks are currently underway to produce hikes under licence and other European rallies.

As a man who has spent eight years with Ford. Mr Jarvis does

RALEIGH BICYCLES







### the range has been rationalised and the components standardised in order to allow longer production runs. The differences, important to the consumer, are largely cosmetic. Mr Jarvis, rather than building a comprehensive range of components in-house, has sent his buyers into the open market his buyers into the open market to seek the right parts at the to seek the right parts at the right price. Japan is now an important source of supplies. But there is still an important role for Sturmey Archer, Raleigh's parts subsidiary, to which Mr Jarvis is now turning

"The crying need is for new products. There has been too much talk and not enough action. We have now chosen the components—sophisticated gears and brakes—on which we shall major. The investment will now go in so that we can sell com-petitively against the best-that can be offered from West Germany or Japan." Nonetheless, Sturmey Archer will still suffer its share of the redun-dancies announced yesterday, to take its workforce down to less than 1,000.

Raleigh, where bought-in components can account for over 60 per cent of total costs, has appointed a specialist director. Mr Richard Beardon, to control purchasing and supply. Stock in progress has already from £12m to less than £8m and the controla have made it possihle to launch new hikes on the market at a price as much as 20 per cent below that of the model replaced.

Good industrial relations are crucial to the dramatic produc-tivity advances already achieved. An important factor has been the introduction of a new " team bonus " scheme under which mployees, rather than operating on a continuous flow assembly track, work in groups of six and take full responsibility for their own quality

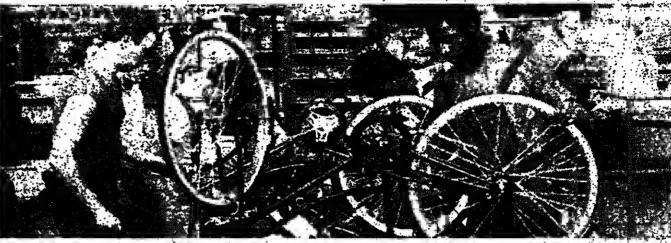
Ironically, it is the very efficiency of the Nottingham plant that has led to the latest round of redundancies. Some immediately. As the new investment in robot welders and automation comes on atream another 350 jobs — on the present volume of 1.4m hikes a year can be eliminated. Mr Jarvis insists that the battle for increased volume. linked with natural wastage, will keep actual redundancies to the

The advent of the robot, whlie providing Raleigh with the latest equipment, no more than " brings us in line with the new technology," Mr Jarvis maintains. The next phase of the f6m investment authorised by TI would offer the oppor-tunity for more widespread automation. But joh sacrifices should be at an end. "We are should be at an end. "We are now on a risipg not a falling cycle. We should be able to get an increasing output with the same number of workers. Our efficiency will gain the market necessary to make us once again

for survival for one of the UK's glamorous industries. The philo-sophy, as he says himself, is simple: "Be selective. Concen-trate on the products where you have an advantage and can make a profit. Back your judg-ment with investment and get out of the products that other people can make."

### Robots and psychologists on the hard road back

By Arthur Smith, Midlands Correspondent



On the production line at Raleigh's Nottingham factory.

creeping npwards for several years, shot up to take more than 30 per cent of the market, belied by the currency advan-tage and the protracted engin-eering strike which curtailed domestic supplies. Problems reached crisis point in the late summer of 1981 as retailers relentlessly continued to cut prices in a hid to clear stocks from a market that was heavily

Trading Profits

Losses Leycle and toy

control of the cycles operations, tion to the risk of exchange rate. He had joined Raleigh as losses U.S. annual sales have finance director in 1976 after, fluctuated wildly between 6m holding senior positions with Ford, Chrysler and Crane Fruehauf, "My first love is the tight because of low-cost vehicles industry," he said, domestic manufacture and "Manufacturing cycles requires cheap imports from Talwan all the disciplines that apply to or Japan. By contrast, Europe cars — the only trouble at offers a much more stable and Raleigh was that the disciplines were non-existent."

over supplied:

were non-existent."

The first decision was to recast the whole sales strategy, giving top priority to the UK and Europe. "For too long our home market was taken for this year.

We had to get products."

Mr. Jarvis claims Raleigh is already the European leader. and will increase its share of the 15m a year market from 8 per cent to nearly 10 per cent. this year. granted. We had to get products

Raleigh's vulnerability in five years.

Men & Matters

regarded as a bonus and is not Raleigh "the Ford of Europe in central to the company's the cycle world a modern, profitable, aggressive, marketing-orientated company." The

In the U.S., a volatile and cost competitive market, the company has negotiated a deal with the Huffy Corporation, which will build Raleigh cycles under licence, importing only the high-priced sports and racing bikes from the UK.

Raleigh pulled out of the ver supplied:

U.S. because of the unpredictIn August 1981 Mr Jarvis took ability of the market. In addiand 16m units over the past decade. Profit margins are also potentially profitable market.

costs right here to estab. Raleigh should be able to

lish a sound base for overseas achieve a market share sales."

approaching 20 per cent within

seasonal business with long to produce hikes under licence
supply lines.
for Iran, hut Mr Jarvis makes
Imports, which had been it clear that such business is confess to an amhition to make

Raleigh's exports have slumped from 1.2m in 1978 to only 400.000. The hulk of the fall has been caused not by falling sales in Europe, hut by the loss of unstable markets in Nigeria, Iran and the U.S. "In Europe over the same period we will have more than doubled sales to 350.000 this year." he says to 350,000 this year," he says.

European market is hig enough

to provide such an opportunity, he argues, pointing out that

Given Mr Jarvis' emphasis upon aggressive selling, it is no accident that a bold marketing spearheading

Europe's Leaders (estimated share of 1982, European bicycle sales totalling 15m units)

Raleigh (UK) Peugeot (France) Kynast (W. Ger.) Kalkhoff (W. Ger.). Motobecane (France) Beistegui Hermanos Bianchi (Italy) Rizzato (Italy) Others

Source: Raleigh

Raleigh's European campaign. Bicycle Motor Cross (BMX), a sport using sturdy small cycles lar in North America for a decade. Raleigh, with the launch last year of its own brand "Burner" hikes, has given the sport a major boost in Europe. The lavish promotion programme, in addition to advertising, involves sponsoring teams and encouraging the setting up of new tracks.

The UK market for BMX this year will be 350,000, of which we will take 70 per cent." Mr Jarvis claims. The initiative might have dragged sales from other sectors, such as conven-tional street bikes, but it has helped swell, the total market. "He believes" are too sophisticated for cheap copies and stresses that new ideas are already being developed. "We are not just engineers. We are into consumer durables and unless you have a very active product programme you are product programme you are dead."

While other departments have been contracting, sales and marketing have been recruiting new blood. Market researcheven down to consultations with child psychologists on why bikes are bought—is at a premium. On production, the main

aim has been to cut costs while maintaining quality. The number of new models launched has increased dramatically, but

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August

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spread

job creators.' Mr Jarvis, in gaining invest-ment support from TI, has clearly convinced the group. more traditional and least

### The pricing of British gas

ARE THE British Gas Corpora- BGC will have to rely increashigh enough? Is gas over-priced expensive fields.
or under-priced? It is difficult Ahove all—and this is where to answer these questions since the report has an important the criteria which determine message for nationalised industhe BGC's profit targets and its try as a whole—government and approach to pricing are, to say the least, imprecise. This is partly because of ad hoc government intervention. Prices whether the BGC's objective is the profit of the body and the body and the body are the body and the body are have been tield down to sup to maximise profits or, as it told port counter-inflation policy, the consultants, "to supply their then rapidly increased to customers at minimum cost con-generate revenue for the sistent with the provision of an Government; more recently adequate level of service and industrial and commercial with the financial requirements prices have heen frozen in response to lohbylng from the private sector. It is hardly surprising that British Gas lacks mise profits it is very difficult to

ing policy.

The problem goes deeper than political interference. Deloitte, Haskins and Sells, the consultants whose study on BGC efficiency was published yesterday, argue that prices lueach market sector which British Gas serves should British Gas serves should approximate to the estimated long-run marginal cost of supplying that sector. Other factors need also to be taken into account, including the state of the market, the pricing policies of other energy suppliers and the statutory ohligations of British Gas.

On a marginal cost basis, the consultants show, current prices are too low, especially in the domestic and non-domestic tariff sectors. "If gas were priced to cover these were priced to cover these estimates of marginal costs including a 5 per cent return on capital, it would still at present is no generally beld concept of the proper role of the Department of the proper role of the Department in relation to BGG and priced on this hasis, and if this introduces uncertainties on

priced on this hasis, and if 1982-83 volumes had heen maintained, over £500m of additional revenue would have been generated in the year."

Getting the pricing policy right is no small matter. It has a crucial effect on the growth of demand, on the rate of depletion of UK gas reserves and on the size of the BGG's investment programme which, as the consultants point out, represents a massive use of the legislation on BGC's monopoly powers will not be felt for as the consultants point out, represents a massive use of the nation's resources—£5.26bm in fixed assets and £1.5bm for replacement expenditure during the period from 1952-83 to

identify opportunities for cost reduction, it is clear that if their recommendations are regulating monopoly, immune adopted prices will rise in real to external pressure. The task terms. BGG's current profits are is to devise a financial and based on cheap gas stemming regulatory framework which from the early supply contracts, encourages it to hehave like a from the early supply contracts, encourages it to hehav hut over the next few years commercial enterprise.

coherent pricing or market- create a management environment that encourages the sustained search for efficiency. BGC has responded to this difficulty by concentrating on cost measurement and comparison." Their recommendation is that BGG should he required to maximise profits "within a framework of constraints on prices and standards of service that are designed to ensure that its monopoly position is not ahused." They do not elaborate on what the "framework of constraints" might be — this remains one of the most difficult policy issues—but they are certainly right to call for greater clarity and explicitness in pricing policy.

The uncertainty about profit objectives has been one ingredient in the poor relations which have existed hetween BGG and the Department of

powers will not be felt for some time, while privatisation will not in itself provide answers to the questions raised in this report. Too often in the Although the consultants past British Gas has appeared lentify opportunities for cost to be either an instrument of government policy or a self-regulating monopoly, immune

Black Marx One of the least complimentary contributions to the centenary of Karl Marx's death is landing on headmasters' desks at every secondary school in time for the new academic year. The Freedom Association is circulatfreedom Association is circularing a booklet of quotations
from Marx and Engels, entitled
The Marxian Legacy, which it
says is "guaranteed to raise the
hackles of Jewish, Irish and
hlack people" by exposing the
founding fathers of international socialism as crude tionsl socialism as crude racists, colonialists and imperialists.

imnerialists.

Marx is quited on the "hereditary stupidity" of the Chinese, the "huckstering" of (other) Jews, reces in Turkey unfit for progress and civilisation, and the "common Negro type" which is a degeneration of a much higher one "The of a much higher one. classes and the races, too weak to master the new conditions



of life, must give way," he obscure words to just half that to celebrata the 75th anniver-wrote. sary of the order at thanksgivvrote. Engels has the more vivid lines, writing of "Serbs, Bulgars, Greeks and other rohber hands . . . the lousy Balkan peoples;" the "hrutal sordid, piratical" Scandin-avians; the "lazy Mexicans;" the Irishman "little above the savage ... utterly unfit for manufacture as now con-ducted;" and the "grimy Breslau Jew." In the revolutionary world

storm, wrote Engels, "the Austrian Germans and Magyars Austrian Germans and Magyars will be set free and wreak a hloody revenge on the Slav barbarians. The general war which will then hreak out will smash this Slav Sonderbund (League) and wipe ont all these petty, hidebound nations down to their very names. The next world war will result in the disappearance from the face of the earth not only of the earth not only of reactionary classes and dynasties, hnt also of entire reactionary peoples. And that, too, is a step forward."

too, is a step forward."

The Freedom Association, no friend of Marxists, is worried that young minds "deafened by the drumfire of Marxist-Leninist denunciations of recism. colonialism and imperialism" may not be aware of the founding fathers' views. These, it wants them to know, are akin to those of the Nazis.

#### Word perfect

Despite the Yorksbireman's reputation for plain speaking, local government in the county. as everywhere else, has laboured with a language that is pure golhledygook. Bradford City Council's stand-ing orders, like those of most

other councils, reflected in their long-winded legal jargon the days when solicitors were paid by the word. But things are changing. The standing orders for cootracts have been reduced from 3,600

Spurred by frustrated councillors, officials called in the city's Literacy Group to help, Six people, including four graduates, taken off the dole through the Government's community programme, set to

One 205-word sentence dealing with corruption was trimmed to a mere 62 words which still made a lot more sense. Another rule laid down in 620 words was chopped to 227. Big words like "herein-aftar" were replaced with little words like "later."

The task took 165 man hours but just about everybody agrees it was worth the effort.

#### Prize list

Most people—Indeed most scientists—see a Nobel Prize as the pinnacle of a scientists'a achievent. But fare more ex-clusive intellectual honours are two orders which are bestowed in Britain and West Germany, the Order of Merit and the Order Pour le merite, respectively.

In fact, the Germans look on a Nobel as just a first step towards becoming a knight of the Order Pour le mérite.

Just how exclusive these orders are has heen discovered by Dr Anthony Michaelis, editor of Interdisciplinery.

of Interdisciplinary Science Reviews. At the suggestion of a Cerman scientist, he re-searched the origins and mem-berships for his September

sian—order is limited to just 30 living members, the OM to a scant 24. The U.S. has nothing to match their exclusively, Mitchaelis tells me. Until 1977, the OM's had never

The German-originally Prus-

even had a get-together. Then the Queen—whose personal gift the hooour is-invited them all

ing service followed by lunch at the Palace.

The latest scientist to receive the OM is Sir Peter Medawar, the medical scientist, in 1981. A vacancy has been created by the recent death of Lord Hinton, the nuclear engineer, one of four post-war nuclear policy-makers the Queen has so hon-oured. One woman scientist, Prof. Dorothy Hodgkin, Carrently holds the honour.

The Order Pour le mérite, created in 1834, elects lts Knights—10 each for science, humanities and arts, Other than Lord Todd, there are only two llving members of both orders, Henry Moore, the sculptor, and Sir Ronald Syme, the historian.

#### Chipping in

Eight-year-old Ben Cooper of Rugby wrote to the Daily Mail complaining that an 11p packet of criaps was not value for money. Then he was:

Inch he was:
Invited to Rileys Potato
Crisps of Scunthorpe (annual
turnover £15m and part of the
Rowntree Msckintoah group); Given an hour-loog lecture by directors on the recondite prob-lems of achieving an average profit of ip on a pocket of crisps in an adverse trading situation; Instructed in climatic geo-graphy so that he would know why the potato harvest was poor this year and the effect it had on the futures market;

Taken on a tour of the factory, given a concillatory lunch and then informed that the price of crisps will be going up again this winter.

The young consumer watchdog was obviously quite impressed. He now wants to be a husiness tycoon when he

Observer

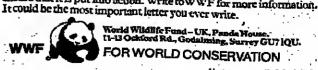


### A green earth or a dry desert? There may still be time to choose

The World is destroying its tropical rainforests. Half the finests have gone, and the speed of destruction is accelerating. If this continues we will lose for ever the earth's greatest treasure house of plants and animals, perhaps our most valuable natural resource for the fourse. In the next 25 years the vast forests of Malaysia and Indonesia could be gone forever, leaving erosion to turn a green

paradise into a barren wasteland.

It's happening partly because the local people depend upon the forests for their immediate needs for survival, partly because of demand in the developed world for tropical timbers. In 1980 the WWF and other authorities published a plan for developing resources without destroying them. We need your help to ensure that it is put into action. Write to WWF for more information.



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PRESIDENT ZIA-UL-HAQ'S time. Now we need a dead body reputation as the agile military and a great funeral to spark a dictator of Pakistan is facing its severest test. The country has been hit by 10 days of often violent demonstrations that have

claimed that his actions and the auccess or otherwise of his martial law regime are in the hands of Allab. He sees no reason why the country should not peacefully accept the plans for a "Muslim state and a truly Islamic system " which be out-lined on August 12, involving gradual moves towards parlia-mentary elections and the end-ing of martial law by March

But leaders of the country's banned (or "defunct" as they are officially dubbed) political parties think otherwise. Elgbt of the parties bave turned their loosely organised Movement for the Restoration of Democracy (MRD) into a surprisingly auccessful country-wide campaign. The key issue at stake is the future of General Zla's army-controlled regime and the freedom that be should have to dictate when and bow elections are to be beld. This relatively arid subject has been given a new dimension by political activists in the southern province of Sind who want more autonomy from the Federal Government, traditionally dominated by the major province of Punjab. They bave turned a moderately peaceful campaign of civil disobedience into a series of increasingly violent riots, which bave seriously dented President Zia's image as

a smooth power broker.
The organisers' aim is to step up fairly low-key activity in the internationally sensitive North-West Frontier area of Peshawar near Afghanistan and, more importantly, to spread violence to the Punjab, which has been relatively peaceful.

Then they reckon President Zla and his fellow generals will

wider response," one political activist said to me in Karachi, There have already been more than 20 deaths, but the undermined the authority of his impact bas been limited, mainly in Sind towns on the Indus to find a way of quelling the troubles before they develop Dadu and Naushahro Firoz. froubles before they develop further, without, sparking an even more explosive reaction which might just remove him from power.

The President has always claimed that his actions and the auccess or otherwise of his access or otherwise of his properties. The president has always claimed that his actions and the auccess or otherwise of his accessive the second and an always the second and always was recently put under bouse

started in fairly festive mood during independence Day cele-brations on August 14, there bave been up to 2,000 arrests. Martial law courts bave been banding out punishments rang-ing from 90 days' house arrest to one year'a imprisonment plus 10 lashes and a Rs 50,000 (£2,500) fine. "We have

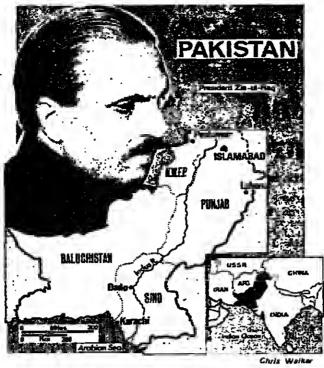
(£2,500) fine.

"We have got to get the people to lose their fear of martial law punishments like flogging and prison torture—then we'll really spread the action," commented on activist.

The civil disobedience takes two basic forms. From the start politicians have been defying the law by addressing nnlawful political meetings and are now increasingly trying to arrest the activists—all of whom have left their bomes and gone to ground—in advance of the meetings, attended by anything from half-a-dozen to 30,000 neonle

people.
The arrests often lead to rocks being thrown at the police, who respond with baton charges, tear gas and rubher bullets. The crowds sometimes then spread through the towns, causing damage to banks, court bouses, railway stations and other buildings. Buses have also been set on fire and railway lines have

These are the most persistent and widespread riots since General Zia came to power, sur-passing the troubles of 1979 when the U.S. embassy in Islamahad was burned down, the



arrested seven months later without taking office, bad boped earlier this year to negot!ate a settlement with the President that would avoid a violent

In the political activists' view, In the political activists' view, Gen Zia has now failed to produce an acceptable plan, six years after seizing power. Frustrations over this among both the landowners and the younger activists have combined with the Sind province's traditional but hottled-up political frustra-tions to lead to a series of events in the past 10 days that no one appears to have fore-

Whether there is enough dis-satisfaction with the Zia regime to fuel a full-scale rebellion is a question that is constantly being asked. Although the economy is propped up by foreign ald and by the remittances of Pakistanis working abroad, the country's balance of Islamahad was burned down, the riots of 1981, and more localised disturbances such as the Muslim payments has been improving riots in Karachi and women's There is a general air in most towns of a developing consumer society. World Bank figures above the average annual per hegin to panic, fearing especially that the army, which is manned and run by Punjahis, will be loth to quell the riots.

"We've proved the fallihillity of the Zia regime for the first with the Zia regime for the first with the company of the comp

Lanka, \$260 in India, and little more than balf that figure in Bangladesh. There is wide-spread resentment that defence spread resemment that decence place, and it seems that no spending takes up almost half active member of Boutlo's PPP the annual budget tRs 57bn for is likely to be allowed to stand 1983-84). But General Zia's in the provincial and national regime has been blessed with elections if Zia has his way. five successive good barvests. The constitutional changes that have projected him from that General Zia outlined on

economic downfall.

"God bas made us selfsufficient in food grains," be
explained in his "Muslim state" explained in his "muslim state" the price of the President over speech. He also summed up the Prime Minister. Many dipolate other achievements of his lomatic observers believe this is regime, some of which at least sensible for a developing this week seem no longer true:
"Today hy the grace of God evaluation is upset by a wide-there is peace and tranquillity in the country. People are earning their limiting the country. People are earning their livelibood with their hard labour and have a peaceful sleep. There are no midnight knocks on the doors. The sanctity of women is no longer unsafe at the hands of the custodians of the law, and women are no longer kidnapped by goondas (armed robbers)

under official patronage."
Those remarks were intended to draw a sharp contrast with the harsh Bhutto regime that removed forcil Zia replaced. But when Zia the country's executed Bhutto, he created a independence.

martyr who is extolled by his PPP members for the good he did for the poorest people rather than for the violence of

his final years in power.
Zia's overwhelming emphasis Zia's overwhelming emphasis on the Islamisation of Pakistan irks many people, particularly lawyers and other middle and upper classes of Karachi and to a lesser extent. Lahore talthough the business community does not want the Zia regime disrupted). His critics dismiss his Islamic real as little more than a ploy to divert public attention from the military aspects of his regime. Many people, however, recognise him as a devont Muslim. Many also admire the way he balances his extreme Islamic

procouncements with a far more cautious approach to actual policy innovations.

Indeed, he is so cautious that some Islamic right-wing groups oppose him. He has been attacked by mullahs from pulpita and even the basically loyal lamast. Uslamin party wants him. Jamaat-I-Islami party wants him to speed up his hand-over of Like the parties in the MRD.

It harbours the suspicion that he

does not want to allow political parties to have any role in the coming elections. The parties and their senior activists have been banned from municipal elections now about to take place, and it seems that no active member of Bbutto's PPP is likely to be allowed to stand August 12 would retain Paki-stan's 1973 constitution, now in abeyance, but would strengthen the power of the President over

in the job,

Behind all the argument,
there is the fear that Zia may have announced his ideas merely to placate domestic and international opinion and that, as has happened in the past, he will try to find reasons later for not going ahead. His opponents are determined that if this is his plan, he will become yet an-other leader of Pakistan to be removed forcibly from office in The U.S. recovery

### Strong it may be, freakish it isn't

By David Hale

THE U.S. appears to be re-writing the rules of macro-economic behaviour this year. Real interest rates are at at a 5 per cent annual rats during the first half of 1983. The U.S. current account deficit may see \$30hn this year, twice its size during the 1978 dollar crisis but the dollar's external value bas recently climbed back to Bretton Woods ers levels on a trade value bas researched hashes trade weighted basis. Remarkable as the American

economy's recent performance may seem. it is perfectly con-sistent with U.S. business cycle

sins are typically front-loaded, with two or three quarters of very strong output growth. Averaging together all the postwar recoveries before 1930, real GNP normally grows by 8 percent in the first year and 4 percent in the first year and 4 per cent in the first year and 4 per cent in the second. Excluding the collapse of the

export sector, the current U.S. expansion is tracking closely with previous ones. Domestic final demand is responding exactly as it should to a highly stimulative fiscal policy, a large year-on-year decline in the leve of interest rates, and rapid expansion of pure transaction money aggregates such as currency and demand deposits (old

The American labour market also continues to be highly flexible by the standards of other industrial countries, so that once an expansion begins, employment tends to rise very rapidly and generates powerful consumption multiplier effects throughout the whole economy. Since January the U.S. economy has created over 1.6m jobs, or more than the EEC during the oast decade.

There are also 15m more jobs in the U.S. todsy than at the start of the 1975 economic

The major difference between the current recovery and previous ones is the high level of interest rates. But the difference is less pronounced than it might seem when one account of the sweeping regulatory changes which have occurred in the U.S. financial system during the past five

rates which financial institutions

increasingly uncompetitive and encouraged disintermediation whenever Treasury Bill yields rose above 8 per cent, the maximum pre-1978 ceiling on long maturity time deposits.
In 1966, 1970 and 1974 there were "credit crunches" in the

U.S. mortgage market which led to immediate slumps in bome building activity and more broadly-based business down-turns later.

More by accident than design, the old system of financial regulation had evolved into a back-door form of credit con-trol which slowed the U.S.

The U.S. tax laws still encourage a low rate of personal savings

economy at a relatively low level of interest and inflation rates by shutting off the supply of funds to the real estate market.

The American business downturns of the 1960s and 1970s did not just result from rising interest rates, but also from regulatory bottlenecks in the system of financial intermediation. It was the supply of credit, rather than the demand for credit which formerly drove the U.S. economy into a slump whenever short term interest rates reached 9-10 per cent.

Ironically, the Carter Admini-stration started the deregulation process largely to protect the thrift industry from disintermediation as U.S. interest rates rose during the 1978 dollar

Those regulatory changes were successful in prolonging the U.S. housing boom for several more quarters, but they added to Carter's economic management problems later. Removal of the regulatory circuit breakers permitted inflation rates and interest rates to

David Hele is chief economist of
Kamper Floancial Services, of Chicago;

Between 1933 and 1978, the U.S. Government maintained Reserve's Saturday night contight control over the Interest version to monetarism during October 1979 was in many ways

were permitted to pay on retail sevings accounts.

Until the mid 1960s, official deposit ceilings were generally in line with market interest rates. After that, they became in compete for deposit it is no line reasipely uncompatitive and linear clear, what level of to compete for deposits, it is no longer clear what level of interest rates is required to slow or stimulate the economy.

> interest rates are also com-plicated by the fact that the U.S. is unique among the major industrial nations in permitting unlimited tax deductibility for unlimited tax deductibility for interest payments. During the past few decades mortgage and consumer debt bave become popular tax avoidance tools. Between 1965 and 1980, inflation induced band changes pushed up the average marginal income tax rate in the U.S. from 21 to 20 per cent of the constant of

21 to 30 per cent. Since the Reagan fiscal programme has only partly corrected this npward movement in tax bands, the U.S. tax system still provides strong incentives to

the dollar's current strength is the capital flow adjustment to the interaction of financial deregulation and the U.S. tax system. The new banking rules bave belied to increase the returns available from U.S. financial assets but the tax laws continue to encourage a low

Continue to encourage a low
U.S. personal savings rate.
The problem for the world
economy is that the Eurodollar lending market grew up under the old system of U.S. financial regulation. It is much more difficult for external borrowers to cope with the interest rate consequences of financial deregulation and the U.S. tax system than it is for domestic

sensitive to rising interest rates and will ultimately slow if they climb bigher. But if they climb higher. But because of financial deregulation everyone must still rethink traditional notions about what constitutes high or low interest rates and stimulative or restrictive monetary policy m the U.S. The fact is we are only now starting to find out,

### Letters to the Editor

#### Public spending dilemmas

From Mr Raymond Nottage insurance pensions but the sion of them and prepare the Sir,—In his article Public halance between state, empublic for changes in the present arrangements if that spending ditemmas (August 19) Peter Riddell says that the Government has failed to launch the necessary debate about how to finance the public services, and he emphasises the need for open discussion of

the issues involved. Ris criticism is particularly apt in regard to retirement pensions, the cost of which in the years ahead is a matter of concern. What is required bere, however, is not a consultative paper with full costing of all possible options, as Mr Riddell suggests, but a fundamental review of the whole pensions system, state and private.

This would include not only

the emerging cost of national

schemes, the economic implications of the concentration of financial resources in pension funds and life assurance companies, the cost to the Exche-quer of the tax allowances offered to private pension schemes, and the disparities between employers' pensions in the public and private sectors.

Because of the inherent report. To let slip this oppor-complexity of such a review, tunity on a matter of such it could best be undertaken by importance to so many people a Royal Commission. This would enable all the Issues involved to be examined objectively and with the care they Raymond Nottage.

should appear to be necessary. Since the Prime Minister does not envisage proposals for major alterations to the welfare state being brought before Parliament before the next General Election there Is time enough for a Royal Com-mission on Retirement Pen-sions to be appointed, to carry out its work and to

importance to so many people and to the nation as a whole would surely be most unfor-

deserve, and in ways that 36E Arkuright Road, would stimulate public discus- London NW3.

### Inquiry into

Sir,-1 should like to make the following comments on the article in Thursday's issue (August 18) on the Sizeweli B Inquiry:

1-The design proposed for Sizewell B is not similar to that of the American Three Mile Island station. To say that it is immediately renders the whole following article suspect.

2-The Sizewell B station is not intended to be built in isolation, but is intended as the prototype for a whole series of stations. This policy has been very successfully carried out in France in recent years.

3-As the article somewhat grudgingly admits, the design will be a sale one. It should be borne in mind that nuclear power stations cause far less pollution of the atmosphere (acid rain) than coal or oilfired stations.

4-Finally, in spite of many misleading figures circulated by interested parties, nuclear power stations, whether of the PWR or the AGR type, are a cheaper means of producing electrical energy than coal-fired and far cheaper than oil-fired ones.

J. Keiler.

From Major J. P. Warren Sir, -1 find it extraordinary that in Samuel Brittan's "Decouple from the dollar"
(August 11) and in Nicholas
Co'chesier's "A bad system
shudders again" there is no reference to gold.

Lord (then Sir Leslic)
O'Brien once said, when Governor of the Bank of England: "Tae enthusiosm for getting ric of gold owes much to the fact that in this inflationary age currencies cannot stand compartion with it."

As every hones! person knows this to be the truth, why no mention of it in these articles about the crumbling monetary system? Mai J. P. Warren. Cherramend Alfold.

Nr Cocheigh, Surrey.

.........

**NiB** 

### Nordiska Investeringsbanken

(Nordic Investment Bank)

NOK 100,000,000 121/2% Notes of 1983/1990

Bergen Bank A/S

Christiania Bank og Kreditkasse Daiwa Europe Limited Deutsche Bank Aktiengesellschaft Scandinavian Bank Limited

Sodnic (Jersey) Limited

Umon Bank of Norway Ltd.

Credit Suisse First Boston Limited Den norske Creditbank Kredietbank International Group Sparebanken Oslo Akershus

The state of the s

Les Services Services

THE STREET OF TH

Af 1271 AL DG Bank

Industrial relations

at BL

From Mr Roy Edwards Sir,-With its history of problems ossociated with the activities of the politicall; motivated, for rlearing a cheque for £50,000 lived bere for 30 years and no one else bas ever tried to sell be extremely sensitive to any development that took their industrial relations back to the where along the line, has pre-Edwardes era.

Lat just a coincidence? I have lived bere for 30 years and no one else bas ever tried to sell me a burglar alarm system.

K. G. Morris.

K. G. Morris.

Somebody, some time, some time, has pre-Edwardes era.

Somebody, some time, some time, some time, has slipped up badly!

Coulsdon, Surrey.

However, whether British Leyland bas over-reacted in the particular instance of the Cowley "moles" can best be judged by the attitude of their workforce who appear to accept the management's actions. All of us from both parts of

All of us from both parts of industry seek to promote the fullest political freedom. We must counter this, however, with utmost vigilance to ensure that minorities of whatever persuasion do not subvert our industrial institutions. Over many years as a leading

national negotiator for BL staff I witnessed the difficulties of the mangement and union officials as they regained con-trol of the chaotic industrial relations in the company.

1 rather doubt if anyone BL—employees, unions, management—regret the parture of the "moles."
Ray Edwards.
Head of Industrial Relations

Head of Industrial Relation
The Industrial Society.
Poter Runge House.
3. Carlton House Terrace.
London. SW1

#### Scales of commission

From Mr Lionel S. Goslin Sir, - lo view of the fact that Sir, — lo view of the fact that which I do not think has any house agents, solicitors, stock-

that the normally super-astute clearing banks charge the same

Or is it just possible that they are less Socialist minded than the other aforementioned finan-

Lionel S. Goslin. "The Cottage,"
2. Wyke Oliver Road, Preston,
Weymouth, Dorset.

#### Pitfalls of gold dealing

From Mr K. G. Morris

Sir,—Mr Schlesinger (August 18) advises the small investor wanting to deal in gold bullion coms to advertise in his local paper for huyers or sellers, and trade at the mid-market price. This is an excellent idea, but does one want to proclaim to all the world in one's local paper that one has gold coins? A few years ago I advertised for sale in mine a single numismatic gold coin. I had about four telephone replies from callers who were not Interested in that coin. but wanted to know what other gold coins I had, which had a least the same in the coin. whether I kept them in the house, etc, and I got the impression that they were burglars who study the small ads of

Articles for Sale to find houses worth hurgling.
Another interesting incident, hrokers, and the administrators one, is that recently my house of deceased estates, charge was hurgled while we slept and

rising scales of commission a small sum of cash stolen.
based not on the amount of During the next fortnight two
work handled but on the in toto separate approaches were made value of the sum involved, it is to me by trade representatives quite beyond my comprehension trying to interest me in huving a burglar alarm system. Was that just a coincidence? I have

Chance to cut the PSBR From Mr David Liss

Sir.—Peter Riddell asserts that there are only three major rareas (of government spending) where major savings can be obtained — defence, social security and the National Health Service.

This ignorea the fact that as recently as July 1979, it was the cost of servicing the Government's own debt which was the Government's biggest single item of expenditure.

The case for index-linking has been ventilated in your couple from the has been ventilated in your columns in the past, by your predecessor as well as by

others. Now that inflation is low and Now that innation is low and rising gently, I believe that Mr Lawson has another chance to reduce the PSER by perhaps fibn annually for a number of years, if be can be persuaded to disregard conventional advice, to call the chairment of the invariant communication. men of the insurance companies to No 11 and tell them that they could help the country comparatively painlessly by throwing their weight hehind the recent of spitchle gon. the acceptance of soitable con-

version offers for existing deol. David Liss.

Chiswick.



### barter deal for **Dowty**

By Peter Bruce in London

INDONESIA has placed orders worth about £20m (\$29.6m) for coal mining machinery with Dowty Me-co, part of the UK-based Dowty group's mining division. A supply contract was signed in Jakarta last Friday and the deal is expected to be completed by the end of the month when financing and training contracts are finalised The contracts were won against

Japanese and West German competition, and involve the UK side buying back 100 per cent of the value of equipment supplied in Indonesian non-oil products. This form of trade has become common with Indonesia, which bas been trying to boost its non-oil and non-gas exports.

Other contractors in the UK's

hard-pressed mining equipment in-dustry are also likely to benefit from the deal, which bas been under negotiation since early last year. As main contractor, Dowty will build about 40 per cent of the machinery to be supplied. Unconfirmed reports yesterday suggested that the UK engineering group, Anderson Strathclyde would probably supply coal cutting equipment.

The deal is likely to be financed

with a Government-backed £14.74m buyers credit and with a £4.43m grant from the British Government. The Government has also undertaken to provide about £470,000 to the Indonesian state coal authority, Tambang Batubara, for training

The Indonesians plan to use the equipment to modernise their giant Ombilin coal mine in southern Sumatra in an effort to raise output from its current 305,000 tonnes a year to 750,000 tonnes, Talks have been protracted largely because of a sweeping new evaluation of project spending by Jakarta

Although oil prices have shown recent signs of increasing, the price fall wiped nearly \$1bn off Indonesia's oil export earnings in the first quarter of this year. Figures resed earlier this month show a fall to \$2.3bn from \$3.2bn in the same period last year.

British mining equipment manufacturers have been hit hard by a collapse in orders from the National

Continued from Page 1

tary policy if the money supply con-

tinues to oversboot its targets. It believes that the authorities are un-

likely to take drastic action, partly because of the uncertainties about

whether the money supply indica-

It adds: "The longer-term outlook

for interest rates is for a renewed

rise, with the budget deficit moun-

ting and little prospect that any-thing effective will be done to limit

Recovery should belp to contain

it in 1983 and 1984, but higher interest rates would themselves increase

the probability of a smaller contri-

bution to growth next year from car

buying, housing and stock move-

"Our forecast of 4 per cent real

GNP growth in 1984 therefore al-

lows for a considerable slowing

down during the year, although business fixed investment should

BY WILLIAM HALL IN NEW YORK

Import Bank (Eximbank) in the big-

gest settlement to date of claims

which grew out of the blocking of

Iranian assets after the seizure of

the U.S. Embassy in Tehran in No-

ments in particular.

tors are reliable.

### Indonesia U.S. direct investment abroad falls by \$5bn

BY REGINALD DALE, U.S. EDITOR, IN WASHINGTON

U.S. DIRECT investment abroad fell \$5bn, or 2 per cent, in 1982, givthe Commerce Department said

The fall was the first since just after the Second World War, when the position was reduced to reflect the wartime destructon of U.S. investments abroad. The decline was primarily due to

record borrowing by U.S. parent companies from their Netherlands Antilles' finance affiliates, the Department said. Without such borrowing, the position would bave increased, although not as rapidly as in most previous years.

The position is the book value of U.S. direct investors' equity in, and net outstanding loans to, their foreign affiliates. It thus measures the net claims of U.S. parents on their. affiliates, the Commerce Department said.

The 1982 decline consisted of capital inflows of \$3bn and negative valuation adjustments of \$2bn, the Department said. Capital inflows consisted of equity and intercom-pany account inflows of \$8.3bn, partly offset by reinvested earnings of incorporated foreign affiliates of

foreign affiliates - the return on the position - declined 29 per cent, to \$22.9bn, and the rate of return on the direct investment position declined to 10 per cent from 15 per cent, the Department said. The decline in income in 1982 followed more moderate declines in each of the two preceding years (3 per cent

Sizeable declines were recorded in all major industries' and geographic areas in 1982, the Department

in 1980 and 13 per cent in 1981).

The declines reflected the continued slowing of foreign economic ac-tivity, appreciation of the dollar against several major foreign cur-rencies and increased interest payments by U.S. direct investors on debt owed to affiliates. Other fac-tors which depressed income in 1982 were capital losses, and losses - both capital and other - by Mexi-

The decline in the investment position in 1982 followed unusually slow growth of only 5 per cent in 1981, and the changes in both years were attributable to similar factors, the department said.

In both years U.S. parents' out- the Department said.

U.S. parents' income from their standing debt to Netherlands An-oreign affiliates - the return on the tilles' finance affiliates increased sharply - by \$6,0bn in 1981 and \$13.3bn in 1982.

In addition, because of sluggisb world-wide economic conditions corporate illiquidity and high U.S. interest rates, U.S. companies had little incentive and limited ability to make major new investments abroad, to expand existing investments or to finance the operations of foreign affiliates with U.S.sourced funds, the department said.

In both years U.S. direct investors sold affiliates in Canada, and finally, the Department said duced affiliate earnings limited the funds available for reinvestment.

The position declined 1 per cent in developed countries and 5 per cent in developing countries. Among developed countries de-clines in the position were largest in France, Canada and Italy.

Among developing countries they were largest in the Netherlands Antilles and Mexico. In "international," a category containing certain affiliates which have operations spanning more than one country the position increased 7 per cent,

### BanCal favours Mitsubishi's bid as Wells Fargo terms rejected

frown on such takeovers because of

the effect it would bave on concen-

worst in the U.S. BanCal bas embarked on a strategy of specialising in a few selected market niches, such as wealthy individuals. Its slogan is banking very few, very

In terms of size, BanCal ranks

eighth in the Californian market. In 1982 its net income fell from \$10.8m to \$8.7m, but in the first six months of the current year it recovered sbarply, with income before special tems jumping from \$2.8m to \$11m. Leading stockholders repre-senting 42 per cent of BanCal Tri-

State's outstanding equity have granted options on their shares to Until recently Wells Fargo would probably bave been ruled out as a potential bidder for BanCal Tri-

State since it was thought that federal banking regulators would

balance is unlikely to worsen so se-

Any general rise in interest rates would, the institute says, worsen

the position of the world's major

debtor countries, and it comments:

Undoubtedly this consideration is

influencing monetary policy in the

U.S., where reactions to excess

growth of M-1 (the narrow measure

The institute predicts that the to-

tal outstanding debt of the non-oil

Bank in New York

of the money supply) bave been re-

Faster growth in world

output is forecast

tration in local banking markets. They have been taking an easier line in some cases recently, however, and earlier this summer allowed Bank of America to move across interstate lines by rescuing the ailing Seafirst Corporation, which controls 40 per cent of the banking market in the state of Washington.
It is also rare for banks to get in

volved in contested takeover bids in the U.S. When Standard Chartered bank from the UK made a bid for BanCal Tri-State in 1977 it dropped the offer when it became obvious that the management was not going to support it.

Mitsubishi's potential expansion in California reflects an increasingly aggressive posture in the U.S. its principal domestic rivals.

financial market by the leading

In March, for example, Fuji Bank agreed to pay \$425m for two of the commercial financing subsidiaries of Walter E. Heller International, the largest single foreign takeover to date by a Japanese bank. Ironi-cally, Fuji succeeded at the expense of another leading Californian bank, Security Pacific.

If successful, Mitsubishi Bank's acquisition of BanCal Tri-State would constitute the largest takeover of an American bank by a Jap-

banks in the fiscal year ending last March, Mitsubishi Bank has been more reticent abroad than some of

Although ranked third in assets and revenues among Japanese

# SOUTH CHINA SEA

### China grants oil rights

developing countries will rise by more than \$50bn again this year to about \$665bn by the eod of 1983. Continued from Page 1

In the UK, as in most other developed countries, the main impetus behind growth is expected to be a

slower pace of destocking by com-panies or a modest rebuilding of For a smaller field the advantage stocks. A boost has also been given would be in favour of the North Sea under the revised UK tax structure, it said. A Chinese development of this size would yield 18.6 per cent to the British economy from a recompared with 29.9 per cent for Bal-Iran pays \$419m claim moral field discovered by Sun Oil with an estimated 85m barrels, according to the firm's computer

In May the group led by BP was THE GOVERNMENT of Iran is \$419.5m to the Federal Reserve awarded five contract areas, four in the South China Sea and one in the Yellow Sea, totalling 14,086 sq km. Earlier this month Occidental con-In return, Eximbank is dropping all of its claims for payment of overcluded agreements on two areas. due loans from the Iran-U.S. claims both in the South China Sea totalltribunal that was set up in January 1981. ing 1,286 sq km as leader of two groups, both of them including the Eximbank said yesterday that More than 20 U.S. commercial Iran's central bank bad instructed banks have settled their claims British independent oil company

compared with one of 11.4 per cent for BP's Magnus field in the North Oil Corporation and Idemitsu Ko-Sea while it has reserves of 565m san would sign exploration conbasin and the Gulf of Tonkin. The two companies declined to confirm

> • Finor, the U.S. construction engineering group, bas been awarded the basic engineering design contract for two open cast coal mines in China. When completed the two mines, in the North-Eastern part of Inner Mongolia, will rank among the biggest in the world, writes William Hall in New York.

The mines, known as Huo Lin He, will have a combined produc-tion capacity of 30m tons of saleable coal a year and are part of a major effort to double China's coal production from 620m to 1.2bn tonnes of coal a year by the year 2000. Fluor will provide the basic engineering and prepare a master de-

### Zia faces wider Sind

### unrest

By John Elliott in Karachi

STUDENTS joined the demonstrations and riots against President Mohammed Zia ul-Haq's Government in Pakistan yesterday in the provinces of Sind and Baluchistan. Elsewhere in Sind province, shop-keepers joined a one-day strike called by some opposition parties and violence broke out in several

That follows a day during which troubles took place in Khairpur, Sind, where six people are believed to bave been killed and as many as 200 arrested. Karachi lawyers staged a protes

meeting yesterday morning against a visit by President Zia to a dinner of their local association last night. They were locked in their law a two-hour strike today.

President Zia visited Karachi, the

ase of the opposition to his regime, in tight security and said the unress was regrettable but not alarming.

While he was in the city, police clashed with rioters in a central market area called Chakiwara. Brigadier Akhyan Gul, the local mar-tial law administrator, watched the disturbances from the roof of a three storey building while one of his aides filmed police, armed with tear gas shells and batons, charging the rioters in small Suzuki pick-up vans, protected from stones thrown by the rioters behind riot shields. More than 30 tear gas canister were fired

In the Sind town of Jacobabad near the border with Baluchistan official buildings were attacked and set on fire. Taken together with the student activity, these develop-ments encouraged organisers of the demonstrations to hope that the disorders will spread from Sind into the more politically sensitive prov-ince of Baluchistan, which borders Iran and Afghanistan.

### Pakistan to avoid fresh **IMF** finance

Continued from Page 1

\$2.6bn, while imports stood at \$5.5bn, leaving a deficit of \$2.9bn. This was offset by income of \$2.8bn m . remittances from Pakistanis working abroad.

Progress in the country's economy is, however, believed to bave been confirmed this week by a team from the IMF, which has been Government's figures and policies. The sharp improvement in the re-

serves has been caused partly by the floating of the rapee, with its traditional link with the dollar broken in January 1982. Since then the value of the rupee has dropped 23 per cent against the dollar, 16.4 per cent against the Japanese yen, 13 per cent against the D-Mark and 7 per cent against sterling.

Exports of Pakistan's grain surplus and of some manufactured items - especially synthetic textiles have started to improve. The purchase of imported goods has de-clined in the wake of higher prices.

The changing value of the rupee has also helped to boost the remittances of the Pakistanis abroad, who provide the country's economy with an essential prop. Contrary to fears earlier in the year, the remitt-ances from the nearly 3m workers overseas rose in the financial year which ended in June to a monthly average of \$240m, compared with \$191m a year earlier.

The monthly total for last month, at the start of the current financial year, was higher at \$250m.

Because dollars sent back to Pa-

kistan bought more rupees follow-ing the exchange rate changes, it is assumed that the workers overseas increased their remittances. The number of Pakistanis working abroad, mainly in the Middle East, is also believed to have increased.

#### Meanwhile, it was reported from John Brown support plan collapses World Weather

JOHN BROWN, the UK engineer-ing group, has lost the deal with Hawker Siddeley which it has been negotiating throughout the summer in an attempt to cut its heavy bor-rowings. A brief statement from the two engineering companies last night said that the negotiations for the purchase by Hawker of John Clydeside. Scotland, have been dis-

John Brown Engineering, the turbine operation, was one of the few elements of John Brown which was profitable last year but the discussions with Hawker had been start-

Brown's debts which still exceed hopes to secure substantial fresh the level of its net assets.

While the JRE bad been presentpiece of surgery, it appeared last night that the deal was never very much more than a marginal proposition for Hawker and, after what resigned suddenly last month, other were described as minor differences between the two sides, the ferred a mor prospective vendor it now left to explore other avenues of debt reduc-

work in the near future.

It also became plain that, while vital route to financial strength un-der the aegis of Sir John Mayhew Saunders, former chairman, who members of the board had pre ferred a more piecemeal approach

Sir John Cuckney, a former nonexecutive director, who was ap-pointed chairman last month, stressed yesterday that "the group continues to trade actively within THE LEX COLUMN

### Samurai ambush Wells Fargo

Shareholders in BanCal Tri-State, the holding company of Bank of California, might be forgiven for eeling a little bemused by their board's acceptance in principle of the \$282m takeover bid from the local subsidiary of the Mitsubishi Bank. The hid, worth \$50 a share, must have looked attractive enough when BanCal's shares were sus-pended at \$33% last Friday and it was due to expire at midnight ou Monday. After a \$52 cash bid from Wells Fargo bank dropped onto the mat early on Monday morning, however, the BanCal board apparently spent the rest of Monday ciding in effect that a bird in the hand was worth two in the bush and signed the Mitsubishi deal late

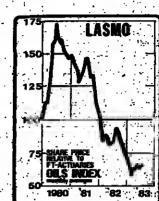
that night. BanCal has explained that the accepted bid had "a greater certainty of consummation" because Wells Fargo's \$300m bid carried so many ms. But BanCal now bas only 15 officies in California and antitrust considerations do not appear to have loomed over the horizon Nor was the Wells Fargo bid hedged about with more than the usual reservations covering undisclosed financial horrors and the like, plus the need for board and sharehol-

ders approval.

Equally hard to fathom are the motives of a small group of directors in committing their shares worth 42 per cent of the equity to the Mitsubishi deal. A second, higher bid from Wells Fargo might be an interesting test of the purported-ly irrevocable options given. It is even more likely to prompt some pertinent questions from some of BanCal's shareholders, who have already shown signs of discontent over the handling of an earlier bid approach rejected by BanCal in 982 - allegedly worth \$50 a share.

The vagaries of oil company arithmetic disguise what, for Lass mo, was a flat trading performance in the six months to June. Net income has falled 19 per cent, to latter the extrained figure; the latter the extrained figure; the latter the charges 24p lower at 352p yester dard Chartered, is a policy change that reduces the quoted bad debt ure, Lasmo charges and credits a host of exceptional items.

The company bas taken a £10.8m profit, mostly for overpaid interest, on the redetermination of its stake usually high exploration write-off of sion has nearly doubled to £60.1m may be tiring of the soap opera. Its £24.3m, roughly a fifth of which re- in the latest half. Without the disposal of 2m Lourho shares could lates to previous years. The net af- change in interest suspense treat- hardly have been timed with greatter tax effect of these items broadly ment, which incidentally has no net er effect.



In the second half, a more normal pattern should be restored. The exderation write-off is likely to be com or less but Lasmo will have a less attractive revenue position in Ninian and it is hard to see how this will be made up elsewhere. Beatrice production is almost flat and Indonesia, which will not be showing positive cash flow until late ne year, is still in its infancy. Overall, Lesmo will probably struggle to match its interim net income in the

Yet, while kasmo may be marking time, it looks a much sounder vehicla than it did little more than a year ago. The two recent financing exercises have reduced net debt from stratospheric proportions to an acceptable 80 per cent of net worth, treating the new preference stock as shareholders' funds, and this ratio should be roughly maintanied until the end of the year. But the most striking change has been in the spread of the group's interests. It still looks under-weight in the U.S. but its days as a City off-shoot in the North Sea are well and

that reduces the quoted bad debt provision. Last year at the balfway stage the bank announced provi-sions of £45.8m. This time round, that same figure emerges, after reducing treatment, at a more modest C30.7m, from which

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THE RESERVE AND THE REAL PROPERTY.

TEL SER CONTRACTOR I

Experiments to e

Interim pre-tax profits, neverthe-less; have moved up 15½ per cent to £116.4m, albeit from a disappointing comparable result. Yet with margins improving worldwide, the outcome for the full year should top the £242m achieved last year. The bank seems to have dodged the worst of the Hong Kong property crash, and the underlying picture certainly looks more comfortable than at the Hongkong and Shanghai Bank. Here, attributable profits for the first half - after the traditional smoothing transfer to inner reserves - have risen by 8% per cent to HK\$964m. But the strains show through at the parent company lev-el, up by only 3% per cent. Once the stronger profit gams at Marine Midland and the Hang Seng are stripped out, the residual parent group saw an actual decline. With the confidence of the local financial community riding on its shoulders, however, the bank still saw scope for a 19 per cent dividend rise.

#### House of Fraser

The House of Fraser complaints department of the August A Department of The investigation into share ownership of the company might bave been appropriate even without the latest flurry of share activity and the mysterious HoF documents which have been bounced around between the Office of Fair Trading and Department of Trade and Industry. As it is, the case for an investigation looks overwhelm-

The Department's sleuths have a mixed record. In 1980, the Consoli-dated Gold Fields inquiry met with some success, whereas the mountains of paper accumulated during the Duplop investigation brought forth not even a mouse. At least the DTI has appointed an inspector with an appropriate background. Mr John Griffiths has just completed a term as Attorney-General in

The inquiry is unlikely, for the moment, to have much effect on Lonrho's tactics. The company is still sitting there with a holding large enough to maintain very considerable pressure on the HoF

# BICHANNESSURG CO

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where companies meet with success Published by The Financial Times (Europe) Ltd., Frankfurt Branch, represented by G.T.S. Demer, Frankfurt/Main, A.V. Hare, R.A.F. McClean, M.C. Gorman, B.A. Lawrence, D.E.P. Palmer, London, as members of the Board of Directors, Printer: Frankfurter Societäte Druckerei GmbH, Frankfurt/Main, Responsible editor: C. E. P. Smith, Frankfurt/Main, Q The Financial Times Ltd., 1883.



### SECTION II - INTERNATIONAL COMPANIES

### FINANCIALTIMES

Wednesday August 24 1983



### Major Scott Paper sales show new group strategy

BY TERRY BYLAND IN NEW YORK

based world leader in tissue paper products, confirmed Wall Street predictions yesterday with the anuncement of an agreement to sell off its foam division as well as plans year but they accounted for less to dispose of its Brown Jordan furthan 7 per cent of sales. Scott bas niture division and of 240,000 acres of timberland in the north-eastern

years, as part of its plans to concentrate on its core businesses in paper, will not be completed until next year, will bring in cash proceeds of "hundreds of millions of dollars."

The foam division which will be year period.

The foam division, which makes foam carpeting and bedding and also safety foam for the aviation industry, is being sold to General Felt to the safety foam of the sold to General Felt to the safety foam of the safety foam for the aviation industry, is being sold to General Felt to the safety foam for the sold to General Felt to the safety foam for the sold to General Felt to the safety foam for the sold to General Felt to the safety foam for the sold to General Felt to the safety foam for the sold to General Felt to the safety foam for the sold to General Felt to the safety foam for the sold to General Felt to the safety foam for the sold to General Felt to the safety foam for the sold to General Felt to the safety foam for the sold to General Felt to the safety foam for the sold to General Felt to the safety foam for the sold to General Felt to the safety foam for the sold to General Felt to the safety foam for the sold to General Felt to the safety foam for the sold to General Felt to the safety foam for the sold to General Felt to the safety foam for the sold to General Felt to the safety foam for the sold to General Felt to the safety foam for the safety foam foa foam for the safety foam foa foam foa foam foa foam foa foam dustry, is being sold to General Felt potential disposals.

Industries, the New Jersey company which recently failed to obtain gests a disagreement on the board showed a further decline in 1982, when net income dropped by 44 per cent to \$74.5m.

SCOTT PAPER, the Philadelphia-control of Sotheby's, the UK art of Scott and Brascan, the Toronto-

Brown Jordan manufactures leisure furniture. Results of the two divisions were not disclosed last more than 3m acres of timberland. Scott has been reviewing the full range of its operations for several

based holding company which is the major shareholder in the paper

wanted to increase its Scott stake from the present 23.7 per cent to 50 per cent of the equity, thereby proposing to modify a "standstill" ar-rangement signed in 1983. The Scott directors have rejected

Brascan's proposals but the Canadi-an group has said it intends to lift its Scott stake to 50 per cent in 1986 unless the price is out of sight.

### Holmes à Court gets go-ahead for BHP share exchange offer

BY LACHLAN DRUMMOND IN SYDNEY

AUSTRALIA'S corporate watchdog, sure shareholders in target compa-minimum or maximum acceptance the National Companies and Securities Commission, has raised no ob-necessary to make a decision. jections to Mr Robert Holmes à Court's proposed share exchange offer for stock in BHP, Australia's

came a week after the commission announced it would hold talks with BHP and the Holmes a Court bid- as this raise the general question of ding vehicle. Wigmores. The lack of objection suggests it has been con-Wigmores offer and that it will not dations to its governing body, the develop into a de facto cash raising Federal-State Ministerial Council

However, it has also questioned whether it is in the NCSCs power or its brief to make such objections. It says the takeover announcement from Wigmores envisages shareholders accept, and points out conduct: that the acts the commission administers impose limitations to en- ments from Wigmores carrying no an informed market

It is not the NCSC's function to

Wigmores offers for BHP shares." However, it adds that "cases such

where the burden of regulation should in future fall," adding that it is considering making recommenfor Companies and Securities.

The acts administered by the

nies are given essential information conditions are due to be cleared by

posed bid, the motivation of Wig-mores' directors or the price which mores' issued capital by 25 per cent. and Mr Holmes à Court believes ac ceptance by 1 per cent of the 344m BHP shares will count as success, the normal setting of minimum or ignored.

that more than 20 per cent of BHP commission also has wide-ranging ture activities of the companies could be acquired should sufficent powers applying to "unacceptable which would be issuing stock to new shareholders. This would fit Meanwhile, formal offer docu- with one of its functions to ensure

make any judgment or comment As even a minimal acceptance of concerning the merits of the pro-

However, should a wave of simi-lar bids arise - particularly with the intention of converting the acquired shares of big Australian companies NCSC and the Corporate Affairs to cash - the NCSC may be moved, Commissions in each state are through its discretionary powers or closely worded and designed to through legal adjustment, to set catch all eventualities, although the ground rules for disclosure of fu-

### Inventory gain lifts Deere earnings

DEERE and Company, the lead-ing U.S. farm and industrial ma-chinery manufacturer, managed to make a small profit of \$5.1m in to make a small profit of \$5.1m in its third quarter to July 31 after taking in a \$15m gain on its reduced inventory levels.

After adjusting for the inventory gain the performance in the latest quarter is some than in

latest quarter is worse than in the comparable period of last year when Deere made a profit of \$4.2m.

Mr Robert Hanson, Deere's chairman, said yesterday that re-sults continue to be affected adversely by the significant decline in sales and production volumes and the high cost of sales incen-

ive programmes.
In its latest quarter Deere's sales of \$395m are 12 per cent down on a year ago and for the first nine mouths of its current fiscal year sales are 17 per cent

The group's net loss of \$34.7m in the first nine months compares with a net profit of \$46.8m in the same period of last year. During the first nine months of the current year results have been boosted by a \$23.4m after

tax gain on inventory reductions.

The company has always valued its inventories on a Life basis (last in first out). When Lifevalued inventories decline, lower costs which prevailed in earlier years are matched against current year revenues, resulting in higher reported net income

### Firestone back to profit in third quarter

By Our New York Staff

THE RECOVERY in the North American ear industry has boost-ed the performance of Firestone, the second higgest U.S. tyre producer, which yesterday reported a one-third rise in its third-quarter operating income to \$84m. Net income in the three months to end July totalled

\$31m, which compares with a loss of \$27m in the same period last year when the results were altected by a 35/in cover plant closure.

Operating income of the North

American tyre operations rose 23 per cent to \$48m and interna-tional operating profits were 89 per cent up at \$27m in the three month period.

For the first nine months North American operating prof-its more than doubled to \$105m and international operating prolits are 40 per cent up at \$81m.

### **Dutch** paper group declines

BUEHRMANN TETTEBODE, the Dutch paper wholesaler, has increased first half net earnings by 72 per cent to F1 6.4m (\$2.18m) from Fl 3.7m a year earlier. The improvement largely reflected a 27 per cent decline in interest

payments.
The operating result was down
17 per cent at FI 48.Lm on turnover broadly unchanged at Fl

The company said the lower operating result stemmed mainly from a decline in results in its trading division, which was faced with a further weakening in de-

mand for graphic equipment.

The printing and distributive trading division was still under pressure from the recession but showed some signs of improve-

### Casino rumpus forces South Africa to sell Safmarine stake

BY OUR JOHANNESBURG CORRESPONDENT

FEARS OF political pressure ap-pear to have prompted South Afri-ca's Minister of Industries, Commerce and Tourism, Mr Dawie de Villiers, to terminate the state's in-advertent indirect involvement in casino gambling. Mr de Villiers says that the state-owned Industrial Development Corporation (IDC) is to sell its 50 per cent interest in Saf-marine, the national shipping line, which last week linked up with the casino interests of the Southern Sun and Holiday Inn hotel chains. South Africa does not allow casi-

no gambling within its own borders. As a result, demand for this form of entertainment is satisfied by casinos operating in the neighbouring states of Swaziland, Lesotho, and Botswana, as well as in the so-called "independent national states" of Transkel, Ciskei, Venda and Bo-

Competition for ownership and mount to state involvement in a management of casinos in these gambling industry which was not areas has been intense between permitted in South Africa, and was Holiday Inns and Southern Sun. Last week's agreement, whereby

ant hotelier, Mr Sol Kerzner, was ductive competition.

nies nominally operating outside South Africa itself, it was of no in-

As the merger involves compa-

and buy into the casino operations was greeted by a chorus of disap- screen. proval from influential church

#### terest to the country's Competition Board. However, the news that Saf-marine was to back Mr Kerzner

groups and supporters of the Na-tional Party.

An include additional results and an end of the control of the Na-down as Southern Sun's chief ex-As they saw it, this was tanta-

therefore morally indefensible. Mr de Villiers' first reaction was their casino interests are to merge that Safmarine participation was and Safmarine is to buy an indirect simply a commercial transaction.

interest in the casino-operating The shipping company, in conjunc-company managed by the flamboy-tion with the other casino partners, said that the intention was to boost designed to eliminate counter-pro-tourism in southern Africa above the present annual level of 700,000

As part of this, Salmarine said it was planning to reintroduce a regu-lar liner service from Europe to the Cape and that it was thinking of es-tablishing floating casines. This claim was widely seen as a smoke-

Mr Kerzner bad already reached

### French buy Cooper Basin gas output

THE Cooper Basin partners in Ausgroup worth about AS40m a year.

tralia have secured outlets for almost all the liquefied petroleum gas production expected when the final stages of the A\$1.2bn (\$1.06bn) liquids scheme are completed next

Santos, the senior partner in the basin, confirmed yesterday that it had negotiated a contract with the Compagnie Française des Petroles

The basin partners in 1981 signed a 1.25m tonnes five year contract with Idemitsu of Japan, covering about baif of an expected annual tonnage of LPG production of around 500,000 tonnes for this first

U.S. \$25,000,000

Floating Rate Notes Due 1984

Banco Latinoamericano

de Exportaciones S.

In accordance with the provisions of the Notes, notice is hereby given that the interest period from 24 August 1983 to 24 February 1984 the Notes will carry an interest rate of 103% per annum. The interest payable on the relevant interest payment date, 24 February 1984, against Coupon No. 9 will be US\$54.9444.

Merrill Lynch International Bank Limited

Agent Bank

appears to be for a tonnage of around half that of Idemitsu, leaving the remainder to be taken up by The contract is subject to Federal

Government approval, but with Australian demand at 570,000 tonnes and local production from refineries and the Bass Strait oil-The contract with French Total fields already at 2.2m tonnes, it group, which is still to be finalised, should create few problems.

Zilkha buys 42% of

### **Towner Petroleum**

BY TERRY DODSWORTH IN NEW YORK

MR SELIM ZILKHA, the founder strengthens. But the severity of the of Mothercare who sold his final 23 recent downturn was reflected in a per cent stake in a £19m (\$29m) second quarter net loss at Towner deal with Habitat 18 months ago, is of \$14m, largely resulting from embarking on a career in the U.S. \$12m if asset write-downs.

Simon, his nephew and an oil inclus-terred the collection of \$6.5m in in-try consultant, Mr Zilkha is spend-ing \$25m for a 42 per cent stake in is contingent on an amended bank

the energy industry.
Mr Zilkha, who is 56 and will become chairman of Towner, said yes-funds. Towner will still be relatively terday he intended to become fully highly geared, with about \$56m of

oil and gas industry.

At the same time Towner's banks
In collaboration with Mr Ronald led by Marine Midland, bave de-Towner Petroleum, a mid-ranking, loan package. Mr David S. Towner, independent Ohio group which has the present chairman, said yester-recently been hit by the slump in day a preliminary letter of agree-

ment had been received After the injection of the new involved in running the company.

Mr Zilkha's investment comes

But Mr Towner said he was confiwhen some U.S. energy specialists dent that the company would be are forecasting a recovery in the sector as the U.S. economy lems.

INGVAR KAMPRAD PREPARES TO ESTABLISH FIRST TWO STORES IN THE U.S.

### Ikea to furnish another continent

BY KEVIN DONE, NORDIC CORRESPONDENT, IN STOCKHOLM

PER ALRIN HANSSON, Social Ikea's huge warehouse stores
Democratic Prime Minister of strategically placed near the motorSweden in the 1980s, may have
made the country "the People's West Germany is Ikea's biggest Home," but it was Ingvar Kamprad

Mr Kamprad, 56 year-old owner and founder of Ikea, one of the world's largest furniture chains with sales in the last 12 months (to the end of August) of SKr 6.025bn (\$773.4m), is now planning to take his unique brand of low-cost, assemble-yourself, Scandinavian fur-niture to the U.S. following his run-away success in continental Eu-

With 50 stores in Europe and Canada and franchising operations in Australia and the Far East, Ikea is now preparing to establish its first two American furniture stores on the U.S. east coast by late 1984

or early 1985.

Mr Kamprad, a farmer's son from
Småland, a sonthern Swedish province of lakes and forests famed in Sweden as a hotbed of private enterprise and a breeding ground of small and medium-sized businesses, started out in the late 1940s selling flower seeds by post. His goods were brought to the post ofice on the local milk float.

He quickly moved into mail order and the selling of furniture in kit form is accordance with the principle of "avoiding transporting and storing air." Today few large cities in Scandinavia, West Germany, the Netherlands, Switzerland or Austria are complete without one of

single market, accounting for 44 per cent of the group's SKr 6hn turn-over, with Scandinavia providing a further 35 per cent of sales and the rest of Europe 15 per cent. Some 20 per cent of the furniture sold in Sweden comes from Ikea. The concern started up nearly two years ago in France in rented premises and is opening its first purpose-built store to the southeast of Paris next month.

The UK is also high on Ikea's list of new markets for the future, but in three years it has been unable to find a suitable site. A first store in

the UK is unlikely before 1986, Mr Kamprad said yesterday. Ikee has always shied away from revealing any consolidated profit figures, but estimates have put the group's after-tax earnings at SKr 400m-SKr 500m. Mr Kamprad pro-mised yesterday to produce the first consolidated figures next autumn. To finance current expansion plans for opening two to four new funiture stores a year the group needed after-tax earnings of at least SKr 300m-SKr 400m a year, he said. According to Mr Ken Muff Las-

agement group based in Copenhagen, the company's current profita-bility is "good and satisfactory." The concern now has 533,000

force of 8,000 of whom 2,500 are in Sweden. Around 55 per cent of its furniture still comes from Scandi-

made modest moves into insurance and banking, including the pur-chase of a more than 80 per cent interest in the small, commercial. Bank of Copenhagen.

Although deeply dependent on its image of selling the Swedish life-style, the ownership of Ikea has been slipping gradually out of Sweden, as Mr Kamprad has made preparations for the transfer of power after his retirement. He has been trying to secure the concern both against crippling death duties and possible family strife industrial ownership is a sensi-

tive subject in Sweden, and con-troversy was aroused recently when rumours surfaced suggesting that Mr Kamprad was planning the imminent transfer of his shares to a religious foundation in the Netherlands. In fact the moves to structure Ikea's ownership around a Dutch foundation have been under way

Mr Kamprad himself left Sweden ten years ago, moving first to Denmark, where the group manage-ment is located, and then to Lau-sanne, Switzerland, to ease his persquare metres of floor space in its sanne, Switzerland, stores around the world and a work-sonal tax problems.

Ten years ago he started to form a number of holding companies in the Netherlands - the most impornariance suit comes from Scandinavia, but increasingly Ikea has altant are Ingka Holding Europe, and Ingka ing 20 per cent of its supplies from Eastern Europe and 20 per cent from other West European counties worldwide.

The holding companies in turn are partly owned by a Dutch foundation - set up to promote "out-standing achievements within the area of architecture and interior decoration" - and partly by the Kamp-

In order to comply with Swedish legislation the main part of the shares in the Swedish company cent - are still owned by the family. but it is a stake that Mr Kamprad is anxious to reduce. As one sol to the succession problems he has considered floating Ikea on the stock exchange but rejected the idea because of "the risk of shortterm activities and the cost of divi-

T have enough money for bread and schnapps and crayfish, says Mr Kamprad, it is a question of

For the present he still reigns su-prema over Ikea, but the foundation construction is supposed to prevent problems in the future. I have three sons .. I do not want that a change of generation with possible future conflicts within the family will jeopardise the unity and devel-opment of Ikea."

### Setback for Lauritzen

BY HILARY BARNES IN COPENHAGEN

. LAURITZEN, the Danish shipping company, achieved worse first-half earnings than expected, with results considerably down on 1982. The company gave no figures.

Second-half earnings are also likely to be affected by the weak

ritzen made a net profit of DKr 291m (\$29.8m) in 1982. Earlier this year, Lauritzen took over P&O's fleet of refrigerated car-

go vessels, of which it currently operates 30. Only one or two of those have been laid off so far this year markets for the company's refriger-ated cargo vessels, offshore drilling units and heavy lifting vessels. Lau-various parts of the world. but the market has been adversely affected by storms and droughts in

BY DAVID WHITE IN MADRID

peny, Instituto Nacional de Hidro-carburos (INH), is to offer minority Campsa, already 53 shareholders in the Campsa oil distribution authority two and a half shares in order to take full control. ucts. The move is the first stage in a

reorganisation of Campsa, whose

SPAIN'S state energy holding com- sion wants dismantled if and when

Offer for Campsa stock

Campsa, already 53 per cent con-trolled by INH, holds responsibility over the transport, distribution, storage and marketing of oil prod-

INH's bid, submitted to the Bourse authorities, prices Campsa's monopoly the European Commis-nominal Pta 500 shares at Pta 1.250.

### This announcement appears as a matter of record only.



### The Sultanate of Oman

US\$300,000,000 **Medium Term Loan** 

Load Managed by Gulf International Bank B.S.C. **Arab Banking Corporation (ABC)** 

**Arab Petroleum Investments Corporation** (APICORP) Bank of America International Limited The Bank of Tokyo, Ltd. Chase Manhattan Capital Markets Group Lloyds Bank International Limited Manufacturers Hanover Limited **Morgan Guaranty Trust Company** 

of New York The National Bank of Kuwait S.A.K. **Wardley Middle East Limited** Al UBAF Banking Group Bank of Bahrain & Kuwait B.S.C. **Kuwait Foreign Trading Contracting** & Investment Co (KFTCIC) National Bank of Bahrain B.S.C.

Morgan Grenfell & Co Limited National Bank of Oman Ltd (S.A.O.) Sumitomo Bank Merchant Banking Group

Citicorp Capital Markets Group

**National Westminster Bank Group** 

National Bank of Abu Dhabi

Alahli Bank of Kuwait K.S.C.

**Arab Bank Limited** 

Orion Royal Bank Limited

Bahrain International Bank (E.C.) Chemical Bank International Limited The Fuji Bank, Limited Standard Chartered Bank PLC Offshore Banking Unit, Bahrain

Provided by

Arab Petroleum Investments Corporation (APICORP) Gulf International Bank B.S.C. Arab Banking Corporation (ABC) The Chase Manhattan Bank, N.A. Manufacturers Hanover Trust Company, Behrain National Bank of Abu Dhabi National Westminster Bank PLC, Bahrain Branch Bank of America NT, & SA The Bank of Tokyo, Ltd.

Lloyds Bank International Limited Morgan Guaranty Trust Company of New York The National Bank of Knwait S.A.K.

National Bank of Bahrain B.S.C. National Bank of Omen Ltd (S.A.O.) Alahli Bank of Knwait K.S.C. Citibank, N.A.

The Royal Bank of Canada Group Arab Bank Limited, (OBU) Bahrain Bank of Bahrain & Knwait B.S.C. Kuwait Foreign Trading Contracting & Investment Co (KFTCIC) Morgan Grenfell & Co Limited Sumitomo Finance (Middle East) E.C. The British Bank of the Middle East Bahrein International Bank (E.C.)

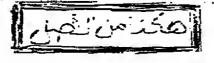
Chemical Bank The Fnji Bank, Limited The Hongkong and Shanghai Banking Corporation

Standard Chartered Bank PLC, Offshore Banking Unit, Behrein The Bank of Nova Scotia, Bahrein Banque Nationale de Paris Credit Commercial de France, Bahrain Offshore Banking Unit Kuwait Real Estate Bank K.S.C.

Oman Arab African Bank S.A.O. ALUBAF Arab International Bank E.C. UBAF Arab American Bank

UBAF Bank Limited J Union de Banques Arabes et Françaises — U.B.A.F. Bahram Branch Arlabank International E.C. Bahrain Middle East Bank (E.C.) - 'BMB' The Saudi British Bank, International Division Yasuda Trust and Finance (Hong Kong) Limited

Arranger and Agent Gulf International Bank B.S.C.



### Salutary lesson for commodity firms

ON Monday the British manager of the Dubai office of Legarleon Commodities was reteased from prison. Mr Brian Angove's eight weeks in fail have raised serious questions as to the future of commodity dealing not just in the Emirates but in the Arab world as a whole.

Mr Angove had been general to the dealers moved their base of operations of the newer entrants were moved their base of operations managed by Hong Kong brokmanaged by Hong Kong br

Mr Angove had been generat commodity dealing company to go into Jiquidation in the Emirates. Earlier two other brokers, Unigold and Trivest Commodities, went bust leaving a string of claims totalling mr Angove responsible for an alteged debt of Db 1.8m (\$500,000).

Legarleon Commodity dealing company to go into Jiquidation in the Emirates. Earlier two other brokers, Unigold and Trivest Commodities, went bust leaving a string of claims totalling millions of dollars to be settled by the courts. manager of Legarieon Com-modities (Dubai) for only a few

Legarleon Commodities (Dubai) is 49 per cent owned by Legarleon of Hong Kong with the rest of the sbares being held by a group of UAE nationals, including some prominant in commonical and form nent in commercial and finan-

The Abu Dhabi courts bave now accepted the defence con-tention that it is the company's partners rather than the manager who are ultimately responsible for the bond required by the courts. Mr Angove was not even in Dubai when the disputed transaction took place nearly two years ago.

For commodity dealers working in the region the Legarleon saga has proved a salutary one. Not surprisingly many of these saw the Middle East as a promising market for clients. A few veers ago several dealers set up in Bahrain, no doubt intent on scooping up the funds of Arab investors on the look-out for

quick profits.
When the Bahrain Monetary

experience, particularly for the investors. For Legarleon is the

trading giant faces a court action in Dubai from a client atleging mismanagement of funds.

A large part of the problem is the complexity of the business of futures trading and the retative inexperience of Arab investors in this field. Such investors, accustomed to fat profits from their local activities saw intures trading as a means of obtaining similar gains abroad. As such Middle East investors are unused to making losses, especially of the size that can occur on the

futures markets.
For many UAE investors the long range playing of the commodity markets came to resemble the Souq al Manakh operation in Kuwait. As with the Souq, which crashed leaving billions of dollars of uncleared postdated cheques last year those who played the futures markets and lost became deeply

Agency decided to regulate This bitterness was increased these fast-growing institutions when it was found that not all and introduced guarantee of the commodity dealers in the requirements to protect local Gulf played by the rules. Many their attention to sharper operators and this the possibilities of large losses could well affect their standing and that these risk acknowledge throughout the region for some time to come.

complaint from investors is aimply over the acale of the losses involved. Soma have had their entire investment wiped

out—a rare phenomena, say experienced brokers. Even more seriously, how-ever, when investors have made losses and attempted to withdraw their remaining funds they have found local dealers often unabla to come np with the money. Soma investors are now alleging that several dealers bave not been making the transactions ordered by the

A group of Saudi investors dealing with a Hong Kong related company had ordered the purchasing of a large quantity of gold in New York. A later investigation by Comex found that not only was thare no record of any such purchases but that insufficient quantities of gold were being traded at the time of the order to have covered such a big transaction. Another major accusation against the commodity dealers

is the bard sell approach used by them in the region. Potential investors are wooed by long lunches, glossy brochures and encouraged to expect bigb returns.
All the companies ask their

clients to sign statements acknowledging the risks involved in such speculative investments. But Arab investors complain that little has been

reputable dealers in the U.S. and elsewhere to advise clients not to risk more than 10 per cent of their net worth on such markets. In the UAE such cautionary advice was not man-tioned by the satesmen pushing the commodity dealers wares.

As for Legarleon itself, it remains unclear how much of its Db 1m issued capital is available in the UAE. Its local partners are now suing the Hong Kong parent in the colony's courts alteging illegal transfer of funds. Some Db 400,000 in realised assets have been paid out by the liquidators in staff wages and settlements

of accounts.

The company is still active on the Hong Kong exchange and is a member of the Chinese Gold and Sitver Exchange Society.
One of its principals, Mr
Thomas Lo, who was responsible for the overseeing of the Dubai operation bas not been seen in the Gulf for some time the parent company did not respond with requests to provide a bank guarantee to obtain Mr Angove's early release.

As the investors and the reputable brokers examine the damage following the Lagarleon saga the Dubai municipality is now said to be, belatedly, considering some protection measures for investors. Yet the business of all the commodity dealers is bound to be affected by the bad odour left by the sharper operators and this

All of these securities have been sold. This announcement appears as a matter of record only.

August 1983



1,300,000 Shares

Common Stock

DREXEL BURNHAM LAMBERT

1. F. ROTHSCHILD, UNTERBERG, TOWBIN

BEAR, STEARNS & CO. ALEX. BROWN & SONS LEHMAN BROTHERS KUHN LOEB LAZARD FRERES & CO.

SANYO SECURITIES AMERICA INC.

KLEINWORT, BENSON

August 1, 1983

THE FIRST BOSTON CORPORATION DILLON, READ & CO. INC.

DONALDSON, LUFKIN & JENRETTE GOLDMAN, SACHS & CO. HAMBRECHT & QUIST E. F. HUTTON & COMPANY INC. KIDDER, PEABODY & CO. MERRILL LYNCH CAPITAL MARKETS

SHEARSON/AMERICAN EXPRESS INC.

DEAN WITTER REYNOLDS INC.

BLYTH EASTMAN PAINE WEBBER

PRUDENTIAL-BACHE ROBERTSON, COLMAN & STEPHENS SMITH BARNEY, HARRIS UPHAM & CO. WERTHEIM & CO., INC. ALLEN & COMPANY F. EBERSTADT & CO., INC.

OPPENHEIMER & CO., INC. MONTGOMERY SECURITIES BASLE SECURITIES CORPORATION ABD SECURITIES CORPORATION

'A.G. EDWARDS & SONS, INC. PIPER, J'AFFRAY & HOPWOOD ROBERT FLEMING

NOMURA SECURITIES INTERNATIONAL, INC. WOOD GUNDY INCORPORATED

ALGEMENE BANK NEDERLAND N.V. BANQUE de PARIS et des PAYS-BAS (SUISSE) S.A. **BANQUE INDOSUEZ** CAZENOVE & CO. CREDIT COMMERCIAL de FRANCE HAMBROS BANK HILL, SAMUEL & CO. MORGAN GRENFELL & CO. PICTET INTERNATIONAL SAMUEL MONTAGU & CO. J. HENRY SCHRODER WAGG & CO. PIERSON, HELDRING & PIERSON N.V.

> Cedar Fair Limited Partnership A newly-formed Minnesota limited partnership?

> > has acquired the business of

Cedar Point, Inc

The undersigned assisted in the negotiations, arranged the financing and is

participating with affiliates of S. Pearson & Son plc and others as an investor in Cedar Fair Limited Partnership.

LAZARD FRÈRES & CO.

### **OUB** ahead at half-time

taxation in the half-year ended
June 30 last. The bank also
disclosed diminution in the
value of assets and transfers to
inner reserves, writes Georgie
Lee in Singapore.

The group's finance subsidiary,
Overseas Union Trust, reported
a sharp rise of 40,3 per cent to
same period,
In a separate announcement
ONE or widely directled

GROUP PROFITS of the Over-seas Union Bank (OUB) of 2.3 per cent to \$\$20.1m, increased by 8.5 per cent to OUB has declared a gross \$\$21.5m (U.S.\$10m) after interim dividend of 10 per cent.

The group revealed that the OUB's widely diversified asso-after-tax figure excludes a ciate company, Overseas Union profit on the sale of invest- Enterprise (OUE) disclosed 2

Hong Kong bank improves

atter-tax figure excludes a ciate company. Overseas Union profit on the sale of investments by its subsidiary amounting to \$\$7.2m.

DUB's widely diversified associate company. Overseas Union are restated on the equity accounting base which the bank adopted at its last year-end. The previous year's figures reserves, ao neither the publicly are restated on the equity accounting base which the bank adopted at its last year-end. The previous year's figures reserves, ao neither the publicly are restated on the equity accounting base which the bank adopted at its last year-end. The previous year's figures reserves, ao neither the publicly are restated on the equity accounting base which the bank adopted at its last year-end. The previous year's figures reserves, ao neither the publicly are restated on the equity accounting base which the bank adopted at its last year-end. The previous year's figures reserves, ao neither the publicly are restated on the equity accounting base which the bank adopted at its last year-end. The profits nor assets figures accounting base which the bank adopted at its last year-end. The profits nor assets figures accounting base which the bank adopted at its last year-end. The previous year's figures reserves, ao neither the publicly are restated on the equity accounting base which the bank adopted at its last year-end. The

THE Hongkong and Shangbai Bank also says total assets Banking Corporation has increased between June 30 reported consolldated net profits of HK\$964m (U.S.\$129.6m) for HK\$379bn to HK\$428bn, while

LONDON BRANCH US\$20,000,000

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AMERICAN EXPRESS INTERNATIONAL BANKING

Date: 16th February 1983

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The coupon and Issua price will be datermined, as provided in the Placing Memorandum, at 3 p.m. on Wednesday, 24 August, 1983 and will be published in the Financial Times on Thursday, 25 August, 1983. Particulars of CiGNA Overseas Finance N.V., CiGNA Corporation and the Stock are available in the Extel Staffstical Service and copies may be obtained during usual business hours on any weekday (Saturdays and public bolidays excepted) up to and including 7 September, 1983 from:—

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Tel: Oslo 3185 28-30. Telex: 16463 sparx. Capital Market Section Tel: Oslo 31 90 50. Telex: 19968 spark n. Tordenskiolds gt. 8-10, Oslo 1, Norway Tel: 472 31 90 50. the six months to June 30 1983, 8.6 per cent higher than the HK\$888m reported for the

corresponding prior year period, writes Robert Cottrell in Hong

HK\$379bn to HK\$428bn, while shareholders' funds rose from HK\$15.6bn to HK\$16.7bn. Banks in Hong Kong are

AND INTEREST PAYMENT DATE

### BANCO REAL S.A.

of Deposit

Extended to the 20th August 1982
Extended to the 20th August 1984

NOTICE IS HEREBY GIVEN to the bolders of the above mentioned Certificates of Deposit pursuant to the provisions thereof that the rate of interest (calculated as therein provide?) for the Interest Period (as therein defined) from 18th August 1983 to 21st February 1984 is 11% per annum, and that the Interest Payment Date therefore is 21st February 1984.

Ш	Accounting stan	dards and company la
	Stock exchange	requirements
	Auditing	
	Accounts of mul	ti-national companies

To: The Marketing Department, FT Business Information Ltd., Bracken House, 10 Cannon Street, LONDON EC4P 4BY.

em appears to their Digital activities as

महार स्ट्रांच का का आहे. मार्ग केला का कार्या मार्ग का स्ट्रांच का

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VII. BEITHE MORE. ASSESSED PARON I ADDRESS STREETS BURNISHED I. I.

### MANAGEMENT

FEW SMALL companies heve bad such a flying start as Acorn —one of the leading players in the UK'a thriving microcomputer husiness. Acorn supplies the highly successful BBC at the beginning of this year. outer and is the major source of micros in primary

Founded five years ago, it is in the last two years that Acorn's fortunes have rocketed. In the last financial year sales reached £42m, compared with £9m the year before, and cus-tomers are still queuing for its

But Acorn is entering a new phase which will be a major test of its maturity. Significant events include:

an expensive launch into the

an expensive launch into the U.S. market where it faces ferocious competition from giants like Texos Instruments, Atari, Anple and IBM;

yesterday'a launch of a new low cost product (the Electron) for the UK, to compete with Sinclair end Commodore at the bottom and of the market but

bottom end of the market but without the direct benefit of the • the sale of 10 per cent of its equity on the unlisted securities

• the development of a business computer for launching In addition the fierce price war for personal computers in the U.S. and to a lesser extent in the UK is making business

.mnch tougher.
Acorn's still sparkling reputation is largely based on its technological strengths—a key factor which helped it win that all-important contract to supply the BBC two years ago. A remarkable 40 per cent of Acorn's 200 employees are involved in research and development and the company has amhitious plans for new products.

Acorn has close links with Cambridge University's Computer Laboratory and most of its technical staff hava been recruited from the university. We are a nice transition from academe to the brutal world of commerce," saya managing director, Chris Curry.

But in many other areas corn's image has been praished. Past problems have included much delayed product launches, long waiting times for computers and peripherals, weak technical support, poor relationships with dealers and a general lack of software.

Acorn is not unique with these types of problem. Indeed which appears to bave unwait for the Acorn products.

at the beginning of this year. The Electron will take Acorn for the first time into close competition with Sinclair Research, tha company founded by Curry's old friend and colleagua Sir Clive Sinclair. Earlier this year Sinclair cut the price of its top computer from £125 to £99.

Acorn has gone out of its way to say it will not out prices. The price war in the U.S. has caused major problems for Texas Instruments, Atari and tha Timex version of the Sinclair computers. Chris Curry, one of the co-founders of Acorn, worked with Sir Clive for 13 years of the ill-fated Sinclair Radionics, which made pocket calculators and very smoll tele-visions, and was eventually rescued by the National Enter-prise Board (now part of tha British Technology Group).

Curry left the troubled Radionics company to run another Sinclair offshoot, Science of Cambridge, and launched one of the first microcomputers in the UK. This was on hit form and strictly for electronics enthusiasts. Ha left Science of Cambridge because of disagreements with Sinclair over future product policy and

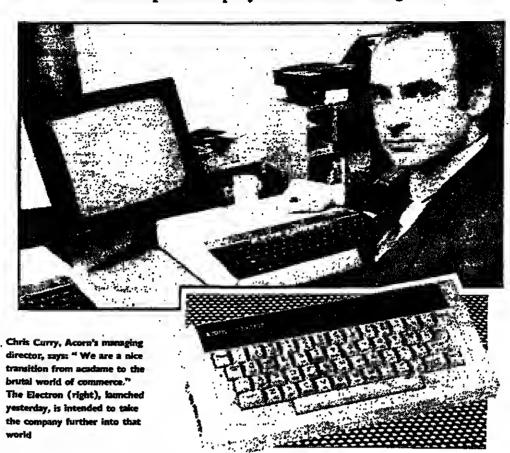
autonomy. Chris Curry, together with Herman Hauser—who was also working at Science of Camworking at Science of Cambridge—left and set up a micro-processor consultancy called the Cambridge Processor Unit. One of the consultancy's early assignments was solving the devalopment problems of an electronic one-arm bandit. The money from that assignment belped finance its first com-

Acorn launched that computer, the Atom, in 1978. It the company further into that cost £120 and was sold without world any applications software, just an operating system. One of its claimed strengths was the well-structured version of BASIC used for programming. It was initially aimed at the educational market but it did poorly there because at the time schools opted for a more standard version offered on a computer from the Oxford-based Research Machines.

As a result less than 10 per cent of the Atoms sold actually went to the education market, although it was still reasonably successful with enthusiasts and they are almost the norm for successful with enthusiasts and the UK microcomputer industry also with the more ganeral usually forgiving customers. The also begun to develop a new and much more powerful microcustomers even more willing to wait for the Acorn products. consumer market. Acorn had used two microprocessors. Acorn has begun to meet Before the development was some of the criticisms—such as complated Curry learnt that the

### Acorn's bid for a separate identity

Jason Crisp reports on the steps taken by the UK computer company to build on its strengths



BBC was planning to run a series on computer literacy based on a low-cost micro. At that time there was little to distinguish Acorn from the host of other fiedgling British micro-computer companies.

To win this golden prize Acorn had to make a number of concessions. The BBC's technical requirements, inflexible programming schedules, poor estimates of potential demand and low pricing were all to lead

Design problems with a special microchip meant the series had to be delayed until Acorn solved them. The BBC had estimated demand for the micros to be 12,000—based on

turned out to be a tiny fraction of the actual demand. (Production is currently 18,000 o month and it is being stepped np to 25,000 in September.) Tha BBC also held Acorn to too low a price which had to be increased from £230 to £299 for the basic model. (Quite against expectation the BBC micro was not particularly price sensitive; 75 per cent of sales bave been of the more

several other new microcom-puter companies set up in the UK, Acorn does not manufac-ture the computers itself. The

expensive modal which costs

andience research figures. This BBC computer was mada by BBC computer was mada by ICL, Britain's largest domestic compuler company, and Cleartona in Wales. The new Electron is being made in Singapore. To add to Acorn's problems Cleartone went into liquidation at a critical point.

But the problems were eventually resolved and Acorn then received a major fillip by becoming one of two (now three)

becoming one of two (now three) approved suppliers of micros for schools, thus getting a 50 per cent subsidy from tha Dol. Acorn claims to have about 80 per cent of the primary

In fact, at a recent demon-stration in San Jose the only

visible effect of 120 times com-

pression of the pictura data rate was a slight delay of rapid

movement which with no live action for comparison, would

not be seen at the receiving

The VTS 1.5E also has a

graphics option which leta users run the system in a still-frame mode at a much reduced transmission rate of 58 to 64

kiloblis/sec.
For those meetings that do
not require full motion video

still-frame graphics and sound, the transmission rate can be reduced significantly along

It seems likely that CLI will

be making its systems available soon in Europe, although it admitted that the bulk of the

markat is in the U.S. at the moment where the dish on the

roof or on the corporate lawn is becoming a common sight.

Nevertheless, CLI has been talking to Cable and Wireless, Plessey and STC among others. The company also does not

deny that the technique is ap-plicable to over-air television

and by the same token to cable

tron, which costs £199, will be able to use some of the soft-ware available for the BBC micros. Although this sector nicros. Atthough this sector of the market is fiercely competitive, it is growing very rapidly. Acorn hopes to be selling 20,000 o month by October and plans to advertise the Electron heavily (£2m will be spent on promoting its products on promoting its products between now and January

Acorn says its relations with dealers are improving and there will be a better margin on the Electron than on the BBC computer. Dealers have complained of the poor margin on the BBC, but the continuing strong demand ensured they continued to stock it.

Acorn is also planning a major move into export markets. Curry wants to see a proportion of overseas sales obout equal to its UK business within two years. At present it is 10 per cent.

The main target is the education market in the English speaking countries including Australia, South Africa and the U.S.

U.S.
Acorn's planned foray into the U.S. is o much tougher proposition. A first step has been to buy the U.S. rights to the first BBC series on micros for \$270,000. Acorn has "given" the programme to the U.S. Public Broadcasting Service (PBS) which intends to show it three times.

"We can't possibly compete with the U.S. companies' campaigns; they spend money on advertising as if they were promoting soap powder," says

promoting soap powder," says Curry.

Acorn also plans to concentrate on the U.S. education market which attracts particularly fierce competition. Many of the leading U.S. companies strongly support the schools market. Apple, for instance, has given computers to schools and IBM bas been loaning its "personal computer" to "personal computer" schools in some areas.

Acorn has set up a team to bring together all the educa-tion software which has been written for its microcomputer by third parties. Software is the key to that market and Curry believes it will be Acorn'a major strength. The hardware and the software will be offered as a complete package in the U.S. and will cost \$900. The availability of suitable software is particularly crucial in the education market and is one of Apple's particular

has a tentative agreement with Computarland, the large chain of franchised computer retail stores, to stock its micros

Curry expects Acorn will lose 'several million dollars' in the first two years in the U.S. but thereafter he believes it will reap substantial earnings. Once established, the compu-ters will almost certainly be made in the U.S. as well.

Another major new venture for Acorn is a plan to launch a low-cost business computer costing from £900—for a very basic terminal—up to £2,500. It will be based on the BBC machine but will be more powerful, using two micro-Acorn hopes to sell the busi-

Acorn hopes to sell the business machine to large companies

—a considerable number of
BBC micros have already been add to that market. "There is an enthusiasm and a high level of appreciation for tha Acorn product and a number of doors are open to us," says Curry.

Another recent development

Another recent development is to become a so-called original equipment supplier, producing computers for other companies to sell under their own names. British Telecom has ordered two versions of the Electron to be used for information previous. retrieval.

retrieval.

In preparation for the sala of part of its equity on the USM. Acorn has begun to formalise its management structure. The company has been largely run by Curry and Hauser, together with a finance director. Now the company is creating a board with directors for research, sales, manufacture and finance.

with directors for research, sales, manufacture and finance. The main reason for the flotation is to finance the venture into the U.S. and other overseas markets and also to give the company a better capital base which Curry acknowledges to be "minnte" at the moment.

Acorn is based in a former water-softening plant outside Cambridge and is already bursting at the seams. The plan is

ing at the seams. The plan is to build a new extension in a field alongside which will house its expanded research team and expensive equipment to make prototype microchins to enable it to speed up the design pro-Acorn is expected to be one

of the more exciting companies to come to the USM this year, even if enthusiasm for the per-sonal computer market is being able software is particularly crucial in the education market and is one of Apple's particular strengths. Acorn bopes it has identified a niche between the low cost home computers— where there is a vicious price war in tha U.S.—and the more war in tha U.S.—and the more expensive machines, such as those from IBM.

The main IIS laurely for the problems which face size from IBM.

Sonal computer market is being dampened by the price war in the U.S. When Sinclair Research—the nearest comparable company—offered 10 per cent of its equity privately last over each other in the rush. In spite of the problems which face expensive machines, such as those from IBM.

The main IIS laurely for the price war in the U.S. When Sinclair Research—the nearest comparable company—offered 10 per cent of its equity privately last over each other in the rush. In spite of the problems which face expensive machine, such as the company—offered 10 per cent of its equity privately last over each other in the rush. In spite of the problems which face expensive machine, such as the company—offered 10 per cent of its equity privately last over each other in the rush. In spite of the problems which face expensive machine, such as the company—offered 10 per cent of its equity privately last over each other in the rush. In spite of the problems which face expensive machine, such as the company—offered 10 per cent of its equity privately last over each other in the rush. In spite of the problems which face expensive machine, such as the company—offered 10 per cent of its equity privately last over each other in the rush. In spite of the problems which face expensive machine, such as the company—offered 10 per cent of its equity privately last over each other in the rush. In spite of the problems which face the company of the com of secondary schools. those from IBM. siasm for this high flying micro-The company has now begun to look to new fields. The Elec-planned for September, Acorn strong.

EDITED BY ALAN CANE

#### **Business** courses

Sales management — team leadership, Kent. September 11-16 1983. Fee: £550. Details from John Davies, Citent. Services Director, Sundridge Park Management Centre, Bromley Kent, BR1 3TP. Tel: 01-464 4121.

Marketing strategies in a rapidly changing world economy. London / Zurich. september 12-13 1983 (London); September 12-16 1983 (London); September 15-16 1983 (Zurich). Fee: Non-members BFr 55,000; members BFr 50,000. Details from Management Centre Europe, Avenue daa Arts 4, B-1040 Brussels, Belgium, Tel: 02 219 03 90.

APL Business Technology 83, API Rusiness Technology 83, Loughborough. September 19-21 1983. Fee: BSC Member £125; non-member £160; academic rate £60. Details from Valerie Mason, API Business Technology 83, 73 Clapham Common South Side, Londor. 3W4 9DG. Tel: 01-493 6172.

Intercompany netting systems— an aid to effective international treasury management, Brussels. September 14-16 1983. Fee: Non-members BFr 44,000; Members (AMA/I) BFr 40,000. Details from Management Centre Europe, Avenue des Arts 4, 1040 Brussels, Belgium, Tel: 02 219 03 90.

Value for money from your con puter, London. September 27 1983. Fee: Members £120.75; Non-members £138. Details from the Post Qualifying Education Department, the Institute of Cost and Management Accountants, 63 Portland Place, London W1N 4AB. Tel: 01-637

Selling to industry, Kent. September 25-30 1983. Fee . £550. Details from John Davies, Client Services Director, Sun-dridge Park Management Centre, Bromley, Kent BR1 3TP. Tel: 01-464 4121.

The financial controller in changing world — 2 review of European and U.S. practice, Brussels. September 19-21 1983. Fee: Non-members BFr 48,000; Members (AMA/I) BFr 43,000. Details from Management Centre Europe, Avenna des Arts 4, B-1040 Brussels, Belgium. Tel : 02 219 03 90.

Measuring and improving busi-ness efficiency — organisation and methods in the modern enterprise, Peterborough, Octo-ber 16-20 1983. Fee: Members Details from the Post Qualifying Education Department, the Institute of Cost and Management Accountants, 63 Portland Place, London W1N 4AB.

### **TECHNOLOGY**

THE AGE OF TELECONFERENCING IS COMING NEARER

### Microchips threaten business travel

BY GEOFFREY CHARLISH

THERE are those in the com-munications industry who believe that, given modern transmission techniques and "chips." business travel will be the exception rather than the rule.

The rationale is simple enough: transmission, especi-ally of images, by digital methods over optical "phone" lines must get cheaper and cheaper due to the low cost of bandwidth on fibre, while air and surface travel, mainly due to decreasing hydrocarbon reserves, must get dearer and

daarer. Meetings can only get costlier and there is a feeling that after some false starts, we might now be much nearer to the oge of video "tele-conferencing."

While optical land line growth is necessarily rather slow and optical submarine cables are not yet fully developed, the communications satellite bas come into its own and increased powers are allowing small - diameter, low - cost earth stations to be sited on companies' premises.

Even so, bandwidth atill signifies expended cash, so the

search bas never stopped for a means of accommodating images, moving images in porticular, within fewar mega-

But these "bandwidth com-But these "bandwidth compression" systems have tended to degrade definition of the picture, particularly where components of it are in motion.

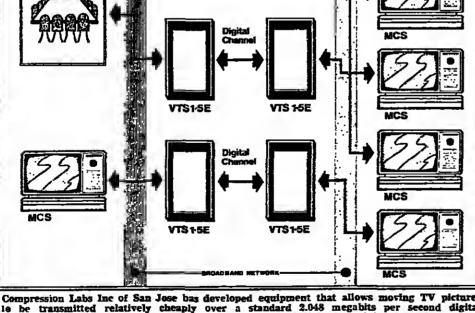
In addition, facilities for video teleconferencing have frequently been either cumbersome or simply inconvenient—often the marticinants have had

often the participants have had to travel to a local conferencing centre.
A smalt company (70 people, nine Ph.Ds) in Silleon Vallay called Compression Labs Inc. (CLI) appears to bave mastered

the compression problem with a new system called VTS 1.5E to become available in October It can operate at user-selected transmission rates from kiliobits per second up to the European channel rate of 2.048 megabits/sec. Normally, a

broadcast colour TV picture occupies about 6 MHz. The company says that the new system allows more transmission bandwidth 10 be used for multiplexing other information at the same time as the compressed video, such as audio, graphics or binary data. CLI bas also developed a com2Mb/s channel atandard.

CLI's technology, called diffarantial transform coding (DXC), uses two lechniques called interframe and intra-



Compression Labs Inc of San Jose bas developed equipment that allows moving TV pictures le be transmitted relatively cheaply over a standard 2.048 megabits per second digital channel. Diagram shows bow of each end of a digital link the miniconferencing system (MCS) can exchange signals at a normal broad bandwidth while the VT 1.5E equipment handles the long-distance "compressed" connection.

eliminata the need for e apecially fitted room. Known as the mini-conferencing system (MCS), it costs \$35,000. width increases, possibly frame relationship, the technique is virtually independent giving rise to jerky motion or blurred portions of the screen. Until recently CLI's chief product competitor was Nippon Electric Company (NEC) in Japan, but GEC McMichael in the UK now bas a system designed to suit the European digital result for each cell is transmitted.

frame picture coding.

As in all modern TV picture processing, each raster is digitised into pixels (minimum picture elements) and held in solld state store, from where it

required is low.

But as motion increases, more

blurred portions of the screen.
In intraframe processing,
each frame is lackled without
reference to any other, but the
picture areo is divided up into
about 800 groups of 16 x 16
pixels in rectangulor clusters
called cells. These are scanned,
encoded and the compressed
divided result for each cell is

frame, picture quality is

techniques so that, as move-ment in the scene increases, there is no serious loss of Since there is no frame-to- quality.

what less crisp than an inter-frame display of low-motion mitted without the normally content. content.

In an algorithm of its own,
CLI has combined its previously developed versions of the twn research in this area. But the

Logica offers Xenix version 3.0

THE LINKING of Logica's name can be processed.

In interframe coding, a fairly well established technique, the value of each pixel in succeeding frames is compared, pixel for pixel, with preceding frames. Only the differences in values are transmitted. Thus, in a still picture, no changes would be detected and the transmission bandwidth required is low.

THE LINKING of Logica's name xenix 3.0 is a commercial imservation of the multi-user plementation of the mul tion with the 3.0 version which ing system.

to exceed 10 per cent within has just become available.

Hector Hart, commercial three years, compared with the

THE LINKING of Logica's name Xenix 3.9 is a commercial im- several major hardware firms

pact camera/projection confer and more pixels undergo value So far Xenix has been mainly manager of Logica's software present level of about 2.5 per encing system that is said in changes and the required band- used with minicomputers out products group, says be has cent. More on 01 637 9111.

CARBON FIBRE IN SPORT

### 'Open throat' should swallow tennis elbow

BY IAN HAMILTON FAZEY.

A BRITISH design team will ripple up and down the strings, next month demonstrate a a process that occurs almost revolutionary, pure carbon instantaneously. Because the fibre racket that it claims will open throat allows the racket eliminate tennis elbow—caused bead to fiex under stress—so by the repeated absorption by that one half is usually twist the arm muscles of the shock of the tracket bltting the ball.

worked out from high speed video studies of bow tennis rackets behave in play. The availability of pure, con-tinuous carbon fibre filament tape from o new factory in Scotland bas made it possible to bulid a new racket.

The racket is a joint collaboration between Win Sports Products of Dunton
Bassett, Leicestershire, and the
Stockport-based RK Technologies Gronp, whose subsidiary, RK Carbon Fibres, has opened Europe's biggest opened Europe's biggest single carbon fibre production line in a new £3.5m plant at Muir of Ord, near Inverness.

In the longer term it means that the present congestion of the airwaves in broadcast TV bands could be relieved and that the cost of cable TV transmission could, presumably, be cut. Alternatively, higher de-

real world of TV transmitters and receivers is analogue at the moment. It is o big change to

The unique feature of the recket is its "open throat." Normal tennis rackets consist of an elliptical frame to which a handle is altached. The elliptical loop, across which the but Mr Tilley is not hopeful strings are stretched, is closed, of that leading anywhere be-But the new racket's loop is cause, he says, "they will all

the racket bitting the ball. it counterpart—little of the The basic design feature was energy involved is absorbed by the frame. The advantage of this is that the full power of a tennis stroke is transmitted across the whole

racket face, and this happens regardless of which point on the face the ball is struck. The effect is to maximise the amount of power transferred to the hall In conventional rackets the shock radiates outwards from the point of impact to be con-siderably absorbed by the closed loop of the frame. This makes the racket "whip" and not only robs each stroke of some of its power but may cause tennis elbow through the comulative

shock along the forearm.
"Whip" has been thought in the past to be an important element in racket's "power," contributing to things like speed of serve. Mr Gordon Tilley, managing director of Win Sports Products and keen tennis player, says that this notion has now been discredited by his research. He says that the new design

could not have been constructed from "chopped-up blts" of carbon fibre used in existing, misuamed, "grapbite" rackets. Only continuous strips of the material, bonded with aerospace grade epoxy resins and com-bined with bigh-damping core material, give a structure of sufficient strength and rigidity to cope with the open throat while still being light enough

while sair being light enough to wield.

The racket goes on show at ISPO, the world's largest sports trade exhibition, in Munich next month. Worldwide patents have been applied for and the two companies involved are resisting selling the idea to a large manufacturer, many of which already use Win designs of conventional rackets.

It is expected to retail at between £150 and £200. Already several of the world's leading players have asked to try it out open at the bottom.

This enables energy generated by hitting the ball to play with."

continue to nlay their tournaments with the rackets they are paid to play with."

Atlas Copco Compressed Air Technology. Profit from

our experience Hemel Hempstead (0442) 61201

Direction finding Sound

### research

A RESEARCH team under Professor Philip Harper at Heriot Watt University, Edinburgh, in association with British Technology Group has devised a technione for determining the direction from which sound is coming.

An important application will be in the determination of the position of drilling bits in oil exploration, currently carried out with microphones placed in existing adjacent welle

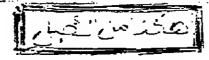
The new system uses the vibrations set up sympatheti-cally in the ring edge of a hemisphere placed in the sound field. The effect is described as rather like vibrating a wine glass; the results are mathematically complex but the main proctical result is that the modes of vibration are fixed in rela-tion to the direction of the implingeng sound closely enough in determine the bearing of the sound to with-in one degree.

in one degree. The vibration is monitored by very small, lightweight semiconductor strain ganges placed around the edge of the hemisphere, which is 100mm in diameter, Imm thick and machined to very high accurSEASON AND THE MAN THE SEASON OF THE PROPERTY OF THE PROPERTY

Other applications are expected in underwater sound determination and navigation systems for submersibles. More from Gordon Rollinson

### Briefly...

EATON launched Dataspec 1-E, a dicrete component tester specifically developed to meet the needs of Enrope." Eaten Corporation is i Maidenhead on 0628 32336. ASEA developed a continuous process control system called Novatune which automatically adapts control parameters to match changing process characteristics. London 01-930



### Standard Chartered 15% ahead at £116m

DESPITE THE need to make large provisions for bad and doubtful debts, particularly in the UK and Hong Kong, the Standard Chartered Bank pushed its pre-tax profits up to £116.4m for the balt-year to end-June 1983, an improvement of 15 per cent over the £100.9m returned for the opening half of the oreopening half of the previous year.

The provisions rose from last time's £30.7m to £60.1m and were made up as to specific £53.1m (£29.3m) and general £7m

The market appeared to be less than pleased with the results and the share price closed 22p lower at 470p.

An interim dividend of 9.5p

An interim dividend or 3.59 (9.2p) net is being paid and, as indicated at the time of the rights issue last April, the directors expect to recommend dividends in respect of the full year amounting to at least 27p (same) on the enlarged share capital.

In their interim report they say that group profit experience this year has been mixed, with strong performances in Soulb Africa, Cellfornia and the UK International and Treasury divislons, a turnround into profit in Chartered Trust and rather flat or lower results in the East

After financing costs, the Midland and International Banks acquisition made a contribution of £2.5m for the April/June

Apart from the provisions for bad and doubtful debts pre-tax figures were struck after deducting FIS.5m (£18.3m) interest on subordinated loan capital and adding a £18.7m (£14.8m) share of associates profits. of associates profits.

Tax accounted for £48m fix accounted for 148m (£44.7m) and after minorities £13.9m (£10.3m), and extraordinary debits last year of £1.2m profits at the attributable level emerged at £54.5m, com-pared with £45.9m.
Interim dividend payments absorb £14.5m (£11.9m) to leave retained profits of £39.7m (£34m)

Taking account of the righls issue stated earnings came through at 39.1p (35.4p) per £1

share. For the 1982 year the bank returned pre-lax profits of £242m. It is proposing to change its name to the Standard Chertered See Lex

### Heavy exploration costs cut into Lasmo profit

A- VERY beavy exploration programme carried out by Lon-don and Scottish Marine Oil has hit the results for the first balf

of 1983.

Exploration expenditure written off Increased by £19.9m to £24.3m. Although this was offset somewhet by an exceptional £10.6m interest on past overpayments and a refund of past operating expenses paid to the company as a result of the small downward redetermination of its Ninian Field sbare, the net profit for the period fell from £22m to £17.8m, after tax of £33.9m, against £42.2m. In the first half sales rose from £116m to £122.1m, and profits from the sale of oil and gas, less amortisation and operating costs, were beld at £79.1m (£78.3m). Earnings were 20.9p (28.5p) and the interim dividend is held at £5p per share but on the higher capital as increased by the rights issue.

by the rights issue.

The chairmen, Mr Geoffrey
Searle, says the exploration programme has been exceptionally heavy and "will be nowhere near this" in the second balf. He also expects the write-offs to be "nowhere near" those of the

nrst hall.

Production of oil and gas
totalled 40,000 barrels of oil
equivalent per day (32,200). The
UK fields (Ninian and Beatrice)
contributed the majority share of Lasmo's entitlement to oil and

some 31,000 barrels per day.

Its entitlement will be reduced in the second balf due to the Ninian Field redetermination which requires the group to pay back 24m barrels over a 16-month period, commencing July 1 1983. Minian operating costs, production taxes and OPS payments will also be reduced as a result. The Hewett Gas Field (Lasmo 4.62 per cent) averaged production net to Lasmo of 20m cu ft per day, and the sbare of oil production in S.E. Sumatra and the U.S. contributed net to Lasmo 3,800 and 1,900 barrela per day respectively. per day respectively.
The crude oil price of UK pro-

duction in sterling terms averaged £19.31 per barrel for the first half of 1983 which is a the first half of 1983 which is a slight reduction in sterling proceeds per barrel for the similar period last year.

During the balf Lasmo participated in 50 development wells which resulted in 43 oil and injection wells, one gas well and six dry hopes. A further seven wells were in the process of being drilled at June 30.

Some 10 oil and gas fields are currently being appraised for further or future development. In the UK the "B" platform of the Beatrice Field (Lasmo 15 per cent) should be operating

per cent) should be operating next year. Already Lasmo currently receives some 4,400 barrels per day and the new platform will add an estimated 2,000 to its entitlement. Subject

to consent from the Department of Energy, construction of the Beatrice "C" platform should start in 1984.

Capital expenditure for production and development activities was £14.3m and total expenditure for the year is expected to be approximately

Since the end of 1982 a num-her of important changes have taken place as a result of which the finances of the group have been considerably strengthened.

The Bestrice acquisition has been financed by two bank loans aggregating 580m; the rights issue raised £43.7m; and since the end of June £19.3m bas been raised by an issua of preference sbares.

sbares.
As a result the capital base has been strengthened and a significant shift away from sbort term to medium and long term debt has been achieved. The debt equity ratio was 1.8:1 et the beginning of the year and at June 30 1983, before the Issue of the preference shares, if was of the preference shares, it was

producing a positive cash flow.

The changes in the 1983
Finance Act have improved the oll tax situation considerably Exploration drilling is now significantly more attractiva to groups like Lasmo with established UK production. Immediate relief

### **Boost for Phoenix Properties**

A TURNROUND from associate losses of £3,000 to profits of £57,000 at Phoenix Properties and Finance has belped boost pre-tax profits from £22,000 to £122,000 for the six months to the end of March 1983. The directors predict a satisfactory outcome for the year as a whole,

Pre-lax profits also included a £34,000 share of development

The associate Kane Investments improved figures were largely due to the sale of part of its office development site at Swindon to the Prudential Assurance Company on March 31 1982. Since then the sale of the 1983. Since then the sale of the mixed office and shop development at Reeding has been comment properties was marginally pleted and preliminary lower. This reflected the temper 25p share were shown as discussions on funding the response of some of increasing from 0.3p to 1.3p.

HongkongBanl

Incorporated in Hong Kong with limited liability.

1983 Interim Results

95

12

107

(21)

86

(36)

161

£0.04

£m 35,932

1.479

HKSm

977

127

1,104

<u>(216)</u>

888

(52)

(374)

462

1,656

31 December 1982 (audited)

Prospects for the rest of 1983

Closing of Register of Shareholders

By Order of the Board

F R Frame

Secretory

HK\$0.39

HKSm

379,186

15,606

The Hongkong and Shanghai Banking Corporation

The following is an unaudited profit and loss statement for the six-month period under review.

subsidiary companies

associated companies

Balance brought forward

Exchange adjustments

Retained profits carried forward

Earnings per share (adjusted)

Interim dividend

The following Consolidated Balance Sheet details are also given for the information of shareholders:

Shareholders' Funds

**Total Assets** 

The Directors announce that the unaudited profit of The Hongkong Bank Group for the six months ended 30 June 1983 was HK\$964 million (1982: HK\$888 million), an increase of 8.6%. The profit was arrived at after providing for taxation and after making transfers to inner reserves, out of which provision for changes in the value of assets has been made.

The Directors have declared an interim dividend of HK\$0.18 per share (1982: HK\$0.1636 adjusted), an increase of 10 %.

Net profit of The Hongkong and Shanghai

Share of net profits of associated companies

Banking Corporation and its subsidiary

Profit attributable to minority interests in

Profit attributable to the shareholders of The Hongkong and Shanghai Banking

Transfers to reserves by subsidiary and

To conform to generally accepted international accounting practice, the results of major associated companies have been

included in the profit on an equity basis with effect from the year ended 31 December 1982. The figures for the six months to 30 June 1982 have, therefore, been restated on that basis.

Until there is a successful conclusion to the talks now going on between Great Britain and China regarding the future of Hong Kong, it is likely there will be a degree of nervousness in the local market, particularly in the property sector. The economic recovery in the industrialised countries and notably the United States is continuing although the lesser developed countries still face balance of payment problems.

While the banking industry continues to have difficultias in a number of areas the Directors consider that Group profit-

ability will remain at a satisfactory level and are confident of being able to recommend a final dividend of not less than HKS0.37 per share.

The Register of Shareholders will be closed from 12 September until 23 September 1983 (both dates inclusive). In order to qualify for the interim dividend, all transfers (accompanied by the relevant share certificates) must be lodged with the Registrars not later than 4.00 p.m. on 9 September 1983.

The dividend will be payable on 7 October 1983 to shareholders whose names are on the Register of Shareholders on 23 September 1983 and will amount to HK\$412 million (1982: HK\$374 million).

At Gatwick, a planning inquiry into Kane's proposed bigh technology development over 89 acres has recently been concluded, although the findings will not be known for some

The performance of Kane, and, in particular, the outcome of the planning inquiry et Gat-wick, will exert an important influence on future profits. However, there are sufficient grounds for the directors to expect a satisfactory result for the year as a whole.

During the period under re-

mainder of the site at Swindon are taking place.

At Gatwick, a planning have a material effect on the inquiry into Kane's proposed a whole.

All losses have been eliminated from financial and investment and from personnel services—this last activity has now been discontinued, say the At the operating level profits

were up from £69,000 to £107,000, which included rental income of £74,000 against £80,000. Pre-tax profits were struck after interest received of £5,000 fs,000 against £16,000 pald last time. Head office expenses took £47,000 (£27,000).

Six months to 30 June 1983

92

21

<u>(25)</u>

88

(7)

(37)

185

237

£m 39,084

113

HK\$m

1,010

230

1,240

(276)

964

(412)

478

. 92

30 June 1983 (unsudited)

Hong Kong, 23 August 1983

2,598

HK\$m\$ 428,361

16,736

HK\$0.42

### Copydex sharply ahead midway

FOR THE six months ended June 30 1983 profits of Copydex totalled £363,000 pre-tax, e. sharp improvement over the £87,000 returned for the same period last year, and the interim dividend is being restored with a payment of 2.25p net per share. The directors say that the reorganisation policies referred to in the accounts improved profits billity considerably and they bllity considerably and they

the first balf.

It is pointed out that alterations in management structure are working well and that they are bringing about substantial economies and higher levels of

customers.

In particular, advances being made in marketing and sales are "noteworthy." Changes in mannfacturing, distribution and administration procedures are also taking place and will further reduce operating costs. Chairman Mr C. A. Lesi regards the company's affairs as "being on a different and much improved footing," and he believes it will continue this progress as further planned changes take place.

First half turnover advanced.

First half turnover advanced from £3.48m to £4.16m—the group manufactures adhesives. do-it-yourself products and floor

covering accessories.

Earnings per 10p share rose tr
5.940 (1.21p) after tax of
£182,000 (nil).

For the 1982 year taxable
profits totalled £191,000
(£100,000) and a final dividend
of 2.5p was paid.

#### Revenue slips at First Scot. American

For the six months to July 31, 1983 First Scottish American 1983 First Scottish American Trust produced revenue of £796,460, a reduction on the comparable result of £881,856, after tax. Net asset velue per 25p share is given as rising from 168.3p to

The net interim dividend has been beld at 1.4p—in the last full year a final of 3.75p was also paid. For the six months earnings per share were shown as stipping from 2.75p to 2.47p.

#### **Triplex sees** recovery signs at year end

Trading progress and results of Triplex Foundries were now known for the first three months of the current year Mr L Robertson, chairman, told sharebolders at the annual meeting.

He said that it was early and
much could yet happen but in
some areas there were small but
real sigus of improvement. He believed that the year's outcome would reflect the beginnings of group recovery.

Last year the company, whose

principal activities include production of grey iron and aluminium castings, incurred a pre-tax loss of £992,000 (£397,000), and paid a single dividend of 0.5p (1p).

#### Jos Holdings pays more

With earnings showing a rise from 2.92p to 3.03p, investment trust. Jes Heldings is lifting its dividend to 3p for the year ended July 31, 1983, against 2.88p. Net assets attributable to shareholders stood at 106.7p per share, compared with 90.3p at January 21 and with 71.7p. et July 31 ary 31 and with 71.7p et July 31

Income was ahead from £319,571 to £379,545. However, to remove him as a non-executive director et the annual meeting on September 14. after bank interest increased to \$51,782 (£18,740), higher expenses and tax of £93,769 (£82,418), ner revenue came out at £186,892 (£179,869).

after bank interest increased to \$51,782 (£1£740), higher expenses and tax of £93,769 (£32.41£), ner revenue came out at £186,892 (£179,869).

Yearlings

The interest rate for this week's issue of local authority bonds is 10½ per cent, down an eighth, of a percentage point from last week and compares with 10½ per cent a year ago. The bonds are issued at per and are redeemable on August 29

A full list of issues will be

A full list of issues will be published in tomorrow's edition from his office, Mr Frost said.

### Taylor Woodrow advances £1.98m at interim stage

Taylor Woodrow, the international angineering, construction and development group, raised its first baif pre-tax profits by £1.99m to £11.62m on turnover 10 per cent higher at £317m, compared with £287m.

Earnings for the period, to end-June 1983, rose by 3.4p to 20.1p per share but the net interim dividend is being beld at 5.5p—a final of 14p was paid previously.

In a statement last June Mr

In a statement last June Mr Richard Puttick, chairman, said the results for the current year the results for the current year to date were marginally ahead of those of last year and that the group had no problems at that time that were likely to have an adverse effect on its trading position.

He added that the current order book stood at £827m,
First half turnover included a £55m (£54m) share of related

£55m (£54m) share of related companies. Pre-tax figures were struck after deducting depreciation of £5.15m (£5.36m) and edding a £1.71m (£1.88m) share of related companies profits.

Tax accounted for £5.02m (£4.29m) and minorities £674,000 (£410,000) to leave available profits ahead at £3.92m, against £4.94m.

#### comment

Taylor Woodrow's operations were unusually de-pressed 18 months ago. The sub-sequent decline in interest rates across the 'Atlantic meant the bouse-building, particularly in



Canada and to a lesser extend in the U.S. provided the main hold up in tought conditions in impetus behind a 20 per cent in crease in pre-tax profits, indicating that the group could make 33 m for the full year. However, the market was unimpressed and the shares slipped 6p to 5410 against net assets of 921p. The profits rise masks a slight toghtening in margins at the trading level chiefly dua to a t

### Rentokil sees continued growth

from a adjusted 0.60 to 0.675p, could bring pre-tax of the year pre-tax profits of the Rentokil Group advanced from 28.01m to £9.4m, and the direc-tors expect this "strong growth" to continue in the second half.

Profits both at home and over-Profits both at bome and over-seas improved in the half year to June 30 1983 with the UK. con-tribution up from £5.72m to £6.42m, and oversees from £2.3m to £2.98m. Turnover of this timber preservation. and pest control company was £5.96m higher at £59.03m, which breaks down to UK £59.37m £520.52m.

after allowing for a one-for-one the year up to 120.5m. With scrip issue. Tax took. £4.2m (£4.18m), minorities £65,000 (£43,000), and

extraordiary credit nil (£591,000). There was an exchange deficit of £224,000 (£41,000 surplus) arising from the translation into sterling of net assets overseas, which has been taken direct to • comment - ,

mitted company was \$5.56m higher at \$59.03m, which breaks adown to UK \$30.37m (\$29.23m) and overseas \$28.66m (\$23.34m).

Recovery continued in the US business, which broke-even ovar the period.

In the second half of last year pre-tax profits from the UK amounted to \$5.85m from turn over of \$29.32m, and overseas \$3.24m from \$429.47m.

The interim dividend is lifted from the US, and Europe which

136p that puts Rentokil on a prospective fully taxed PE of just under 26.5 The company has a hard battle on its hands has a hard battle on its hands to sustain present growth levels, but some of the omens are good. The U.S. has broken even by the half-way stage and will certainly contribute to profits at the full year. South Africa is riding the tough recession with profits down but not significantly. nrofits down but: "not significantly." Australia has returned to normal trading levels while New Zealand has had a disappointing first half. The swings and roundabouts around the world even out with a solid 30 per cent growth in profits overseas. UK growth has been more modest at 12.4 per cent though some improvements in marrina some improvements in marging have been achieved in the face of stiff competition.

### RIT's U.S. commitment

IN HIS statement accompanying investment, the report and accounts for the period to March 31 1983 Lord Weir, the chairman of RIT and Northern, tells shareholders that

a major commitment to luvest-ment banking in the U.S. He says the group has now exercised an option to subscribe for 25 per cent of L. F. Rothschild, Unterberg, Towbin, a prominent U.S. investment banking com-Lord Weir says It is also pro-

posed to convert into equity the group's initial investment, comprising a limited partnership interest and a loan note.

As a result the group have have committed some -363.5m towards increasing the equity capital base of the enterprise and its 50 per cent stake as a general partner will be its largest single

Mr Michael Goldstone, who was

recently dismissed as managing director of Ward & Goldstone, is to fight the attempt of the board

Goldstone fights sacking

A significanti decrease? in activities in the U.S., with almost half of its assets now being invested there, has led the group internationally, a number of to create a management centre major initiatives bave been taken to strengthen the group's During 1982-83 significant changes were made in the distribution of RIT and Northern's portfolio of listed investments. Holdings of UK and Australian

equities and U.S. fixed-interest securities were reduced while Continental European and U.S. equities were increased. As already known group profits for the 1d months to end-March 1983 totalled £14.92m before tax of £5.7m, Capital and reserves amounted to £226.dm.

The accounts, the first since the merger of RIT with the Great Northern Investment Great last year, show that net asset value per share has increased from 180p on April 1 1982 to 250p, at March 31 1983. At July 13 net asset value amounted to 258p.

### profits down at year end

Apex Props.

Triable profits of Apex Pre-perties, engaged in property investment and development, fell from £626,000 to £600,000 in the 12 months to the end of March 1983.

The dividend total is mainfinal of 1.3p. Group turnover was down at £1.08m against £1.12m. Tax absorbed £177,000 (£323,000), and there was an extraordinary credit this time of £983,000 (debit £83,000), arising from property sales surplus, which has been transferred to capital reserve. Attributable profits came out at £1.41m (£0.22m). Earnings per 10p stock unit are given as rising from 2.82p to 3.93p.

#### Geo. Ingham rises to £0.1m at half year

In the first half of 1983 taxable profits of George Ingham and Company advanced from £52,000 to £100,000, on alightly lower turnover of £2,05m, compared with £2,06m.

with £2.06m.

The interim dividend is being reised from 0.25p to 0.5p net, while earnings per share are given higher at 4.8p (2.5p) on a net basis, and at 5p (2.6p) on a nil distribution hasis.

### Ingersoll-Rand

In our report yesterday on the 1982 results of Ingersoil-Rand Company, the figures were transposed because of an error transmitted by the Stock Exchange.

For the year profit moved ahead from £4.68m to £5.19m after interest paid of £584,000 (£597,000). There is no foreign tax credit nor extraordinary debit this time, compared with £65,000 and £423,000 respectively in 1981,

#### Hillards maintains rising sales

THE INCREASE in sales volume experienced by supermarket operator Hillards in the latter balf of 1982-83 has continued into the early months of 1983-84. Mr Gordon Hunter, chairman, tells shareholders in his annual statement.

statement.
The company should therefore The company should therefore make progress in the current year, when further benefits can be expected from the investment in new stores and from improvements in older stores in the past few years. Profits for the current year should exceed those of 1982-83, be adds.

1982-83, be adds.
As already known taxabla profits for the year to April 30 1983 advanced from £4.78m to £5.81m on higher turnover of £204.26m, compared with £183.76m. The year a dividend was raised from 3.25p to 4p net, with a final of 2.8p (2.25p), and earnings per share were given higher of 16.9p (12.34p).

At year-end shareholders

At year-end sharebolders' funds stood at £18.29m (£15.09m) and fixed assets were valued at £34.41m (£25.62m). Net current liabilities came to £12.88m

(£7.43m) Including creditors of £22.12m (£16.81m. During the year there was e decrease in net liquid funds of £1.77m (rise £8.000), whila working cepital increased by £3.87m (£584.000). Mr Hunter says that an experiment in electronic policy of sale ment in electronic polns of sale scanning is to be introduced as pert of the constant considera-tion of opportunities for improving services and efficiency, Meanwhile every effort is being made to achieve cost savings, particularly energy costs. particularly energy costs.

Mr Hunter is to retire as chairmen and from the board following the annual general meeting to be held at the Post House Hotel, Ossett, on September 26 at 12.30 pm. This is to be followed by an extraordinary meeting to approve the introduction of employee profit sharing schemes.

> LADBROKE INDEX 723-730 (-13) based on FT Index Tel: 01-493 5261

claimed that the decision to close tha cable division had been taken with "undue haste" paying "insufficient attention to other options for the division which could have led to fewer redun-

Mr Goldstone, bowever, has

The issue which precipitated Mr Goldstone's dismissal was his refusal to sign the lelest company accounts. He argued that the figures in connection with the closure of the cables division "could be misleading," because provision for the closure "many provision for the closure "may be insufficient."

be insufficient."

Mr Goldstone said yesterday from the U.S. that he will be sending a formal letter to shareholders outlining his side of the atory by next week. The Goldstone family is reported to own between 7 to 10 per cent of Ward & Goldstone shares.

The company said Mr Goldstone does not have a service agreement. He has been offered 12 weeks' salary in lieu of notice as severance pay.

27/28 Lovat Lane London EC3R BEB. Telephone 01-621 1212

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	25	84	United Holdings	24		1.0	4.2		
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Granville & Co. Limited (formerly M. J. H. Nightingale & Co. Limited)

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### **Growth for** Electro-**Protective** halfway

In respect of the six months ended June 30, 1983 Electro-Protective has produced a pro-forma turnover of \$25.65m and a profit before tax of \$3.4m. The eompany took over Electro-Protective Corporation of America on April 22, and for tha purposes of the pro-forma results it has been assumed that

The company bas interests exclusively in the U.S. and ranks among that country's top alarm service businesses with 19

among that country's top alarm service businesses with 19 central stations monitoring some 27,000 subscribers; it is also one in the largest distributors of security products, and supplements this by the manufacture of own-brand products.

Electro-Protective has a full Loudon listing end is 50,02 per cent owned by the Hawley Group. Last April Electro raised nearly £10m by a rights issue. For the comparable half year in 1982 turnover reached \$10.6m and profit wes \$1.91m.

After tax \$171,000 (\$57,000) and minority \$31,000 (nil), the 1983 attributable profit comes to \$3.2m (\$1.85m). Earnings were 10.3 cents per share (6.7 cents) and the interim dividend is 0.6 cents (0.5 cents).

The headquarters of Electro is in New Jerses and its activity.

headquarters of Electro is in New Jersey and its activi-ties are based in Maryland, Georgia, Florida, Texas, Rhode Island, Michigan, Illinois and Island Michigan, Illinois and Ohio. Geographical coverage bas been widened since last year to include Cincinatti. Dayton and Springfield Obio, and Livonia, Michigan, Chleago Atlanta, Miami and Philadelphia.

#### Good prospects overseas for **Norton Opax**

Lottery business overseas at Norton Opax has good prospects of further expansion, Mr D. S. Rocklin, chairman, tells members in his annual review. Consolidation of recent UK acquisi-tions will improve trading at tions will improve trating at home. Both these prospects are seasonal in activity, with maximum benefits realisable in the second balf of the trading year. In the year to the end of of March 1983 pre-tax profits moved up from £139,720 to £1.01m, as already known.

already known.
The year was one of intense activity, with further gains in the export markel and the imple-mentation of a substantial development programme. During the year a £15m bid was made for John Waddington, which was withdrawn on August 1 with a prospective profit after expenses prospective profit after expenses and before tax of ahout £250,000.

Strong export demand continues, says Mr Rocklin. However, the home market showed little sign of improvement. A major investment programme in high lechnology printing techniques is being implemented to sumport International Discharges. As announced last July the directors forecast profits for the coming year of £1.25m. Fixed assets rose from £1.87m to £2.85m. Shareholders' funds moved up from £2.36m to £3.52m. There was an increase in working capital of £266,826 against £587,769 previously.

Meeting: Leeds on September

### General Funds

Available revenue at General Funds Investment Trust moved up from £291,000 to £200,000 for up from £291,000 to £300,000 for the six months to July 15 1983. Asset value per 25p share is shown as 561.25p against 471.21p at January 15 1983. Per con-vertible 10p ordinary share, asset value was shown as 555,64p compared with 452.36p at compared with 452,36p January 15 1983.

Gross revenue for the six mouths slipped from £875,000 to £762,000. Expenses and Interest were lower at £320,000 against

Al Baraka International

Henry Ansbacher ..... Arbnthnol Latham ... Armco Trust Lld.

Associetes Cap. Corp.

BCC1 91%
Bank of Ireland 91%
Bank Leumi (UK) plc
Bank of Cyprus 91%
Bank of Scotland ... 91%

Banque Belge Ltd. ... 91% Banque dn Rhone ..... 101%

Banco de Bilbeo ..... Bank Hapoalim BM ...

### Stoddard loss well down in the second six months

finance charges of £778,000 spending for more than five years. The worst of the regards a previous £27,000, and extraordinary debits eccounied for and the results are beginning to fi.83m, compared with £2m. show in the form of a reduction in second half losses to 8 ner organisation costs. six months enabled carpet manufacturer Stoddard Holdings to reduce its pre-tax loss by £1.11m to £1.14m for the full year to March 31 1983. Loss for the second half amounted to £122,000, which compares with £1.47m for the compares with £1.47m for the same period last year and expectations in a trading statement last June of some £400,000. At that time the directors said they expected the second half to show an improvement over the opening half and the improvement to continue into 1983.84 as reorganisation was implemented. They say now that despite a slow improvement in the economy, the first four months of the current year were sufficiently ahead of budget and the previous year to provide encouragement that the group is continuing to move in the right direction.

They point out, however, thal

These were closure and reorganisation costs.
Loss per 10p share emerged
at 10.7p (17.7p) and there is
again no dividend for the year—
the last payment was in 1980.
Borrowings, after the preference share rights issue which
raised £2.5m, bave fallen to
£4.3m and in addition, properties
beld for disposal are expected
to realise nearly £1m. Working
capital was reduced during the
year hy £2.8m (25 per cent),
most of this being attributable
to stock reduction.
Controlling interest in Stod-Controlling inlerest in Slod-dard Holdings Is held by the Maclean Charitable Trust. comment

and the results are beginning to show in the form of a reduction in second half losses to 8 percent of their level in the previous period. Meanwhile, increased efficiencies have led to shorter lead times, which has allowed Stoddard to reduce working capital by 25 per cent via a reduction in stocks. Sloddard now has the facilities to take on an increasing proportion dard now bas the fscilities to take on an increasing proportion of the more profilable contract husiness. The £2.6m raised by the rights issue has reduced borrowings from 80 per cant to 50 per cent of sharebolders' funds. At this level, the group is confident of its ability to finance any increase in working capital that might be needed to cope wilh an upturn in trading conditions. Stoddard expects to make a loss in the current balf, right direction.

They point out, however, that the full benefits of the group's plans will not materialise until the next financial year.

Group turnover for 1982-83 totalled £32.64m (£34.99m). The deficit before tax was struck after taking account of similar

Group turnover for conduction side has started to see the first trickle of capital stoddard expects to make thouse tions. Stoddard expects to make a loss in the current balf, although the subsidiaries are profitable, but sees the group breaking even et least at the mated, the Glasgow office has trading level for the year. The been closed, 180 redundancies 'A' shares rose ip to 16p, while production side has started to changed at 22p, capitalising see the first trickle of capital Stoddard at £2.16m.

### **Expansion by American Trust**

PRE-TAX PROFITS al American Trust expanded from £1.83m to £2.34m for the six months to the end of July 1983. The net interim dividend has been held at 1pin the last full year e final of 1.35p was also paid.

Commenting on the results the directors say that Crescenl Unit Trust Managers, a subsidiary, and Edinburgh Fund Managers (EFM), a related company, both reported increased profits and made a significant contribution to cernings.

Trust Managers. Following this year. EFM shares will be beld by American Trust, the executive files directors and staff of EFM, and took. A maximum of 12.fi per cent of the sbare capital will be available through a placing. Total funds under management at July 31 exceeded £435m.

plecing on the USM in the near future, Prior to this il intends from 1.25p to 1.46p—the director issue new sheres in exchange for the shares of Crescent Unit size is not anticipated for the full Trust increased by 16.8 per cent from 1.25p to 1.46p—the direc

Tax for the year came to £1.08m (£783,000). Minorities took £1.21m (£1.04m).
Net asset value was given as rising from 79.5p per share to 125.3p

The directors say that further transfers of funds have been made to North America with 73 per cent of assets invested there For the period under review at the year-end, compared with EFM intends to apply for a earnings per share of American 58 per cent in the previous year.

### Smith Whitworth in the black

A RETURN to pre-tax profits of a new floorcovering subsidiary, 53,429 against previous losses of 4300,435 has been shown by 5mith Whitworth for the year to 6 March 31 1983. Turnover of this 7 March 31 1983. Turnover of this 8 March 31 1983. Turnover of this 8 March 31 1983. Tur slow start.

This. combined with the setting up losses of Careful Cut, has met with a regular flow of

emerged at £10,196 compared with a previous deficit of £339,608. Preference dividends look £2,362 (same).

#### **Preedy sees summer losses**

For many years Alfred Preedy £97.18m (£85.87m). The year's and Sons, wholesale and retail dividend was maintained al 3.5p lohacconist, has traded at a loss nel following a fall in stated during the summer months, and this summer will he no exception, Mr S. L. Preedy, chair During the year there was a man, says in his statement with man, says in his statement with the company's annual report.

Interest charges will be lower than in 1982, but Mr. Preedy does not expect the savings to outwelgh the shortfall in fill 22m to fill.14m and fixed operating profits at the interim As already known taxable profits for the year to March 26 taxes were valued at £8.73m (fill 23m). Net current assets profits for the year to March 26 taxes were valued at £8.73m (fill 23m). Net current assets profits for the year to March 26 taxes were valued at £8.73m (fill 25m). Net current assets profits for the year to March 26 taxes were valued at £8.73m (fill 25m). Net current assets profits for the year to March 26 taxes were valued at £8.73m (fill 25m). Net current assets profits for the year to March 26 taxes were valued at £8.73m (fill 25m). Net current assets profits for the year to March 26 taxes were valued at £8.73m (fill 25m). Net current assets profits for the year to fill yet fill by £2.93m (advance taxes to fill yet fill by £2.93m (advance taxes to fill yet fill yet

### Cigna £30m bulldog

Cigna Overseas Finance is right overseas rinance is related to the London market through an issue of partly paid "buildog" honds due 2008 and led by Morgan Grenfell and Morgan Guaranty. The issue, which is by Cigna Corporation the U.S. insurance and finance company, will be priced today at 200 basis points above the 2004-08 British Treasury stock.

The issue's partly paid condi-

tions provide for 30 per cent of the principal being due on

#### **RESULTS AND ACCOUNTS IN BRIEF**

J. EVERSHED ANII SON (gracery merchant)—Graup tumover year ended January 30 1983 was £32.54m (£31.21m) and profit belore tax £212.214 (£248.550), including £100,184 (£15.428) aurplus on diaposal of retail stores. Earnings 18p per share (£1p). Final dividend 3p making 7p for year (8.25p). There has been considerable reduction in trading profit perticularly in Foodrite retail division. Ordinary share-

Heritable & Gen. Trust 91% Hill Samuel ........... 91%

C. Hoare & Co. ........ 

91% Mallinhall Limiled 91%
91% Edward Manson & Co. 101%
91% Midland Bank 91%
91% Morgan Grenfell 91%
91% National Bk. of Kuwait 91%
91% National Glrobank 91%
91% National Westminster 91%

Trade Dev. Bank .....

Trustee Savings Bank United Bank of Kuwait United Mizrahi Bank...

TCB

SNUTHEND STADIUM—Results for the six months to June 30, 1983, Profit before tax £71,161 (£67,766); greyhound race meetings 66 (£72); operating tax £72,257 (£75,56); tote tetantion £113,633 (£117,022); general betting duty £25,857 (£75,515); receipts, less duty, £213,222 (£238,101); expenditure £201,237 (£221,354), and routs and investment income £51,176 (£50,923).

J. EVERSHED ANN SON (grecary merchant)—Graup tumover year ended January 30 (£88 wes £22,54m (£31,21m) and pooff before tax £21,214 (£248,650), including £100,184 (£15,428) surplus on disposal of results across the superfield for the year to end of March 1983 elements. Moreon, Shorebarn, Santant 1983 elements are supported in the second half. He would be disappointed il "reasonable more £31,176 (£50,925).

J. EVERSHED ANN SON (grecary merchant)—Graup tumover year ended January 30 (£88 wes £22,54m (£31,21m) and pooff before tax £212,214 (£248,650), including £100,184 (£15,428) surplus on disposal of result attracts. BASE LENDING RATES

PREMIER CONSOLIDATED BILLFIELDS
—Results for the year to end of Missen
1983 elredy known. Sharshelders'
funds (25.95m (221.25m)): fixed sears
175.21m (£11.45m); ner current sasets
175.21m (£10.45m); ner current sasets
17.09m (£7.01m); increase in working
capital £83,000 (decrease £2.31m).
Chairmen seys that future prospects
are being enhanced by improving
world energy situation and etablication
of crude oil prices. Meeting: Great
Eastern Hotel, Liverpool Street, £C, on
STOCK CONVERSION AND INVESTIMENT TRUST—Results for year to
March 31 1983 stready known. Sharshelders lunde £240.51m (£230.27m);
Investingents £250.59m (£25.25m) inctuding properties £196.88m [£189.23m) inctuding properties £196.88m [£189.23m]
126.03m (£59.22m), current sasets
127.95m (£40.38m), current libetimes
129.65m (£24.57m), increase in working

RADIANT METAL FINISHING—Results loy year to February 28 1939 denady known. Shereholders' lunds £841,675 (£842,526). Fixed assets £257,830). Investments £117,836 (£129,366). Net current assets £531,277 (£514,346). Net current assets £531,277 (£514,346). Net current assets £531,277 (£54,573 incresse). Chairman asset carriert year nes started with the same trading levels. Meeting, &ow. £, September 9, 10,30 sm.

### DIVIDENDS ANNOUNCED

l		Date	COITE-	Total	TOTAL
	Current	of :	sponding	for	last
	payment	payment	div.	year	year
American Trustin		Oct 7	1	_	2.35
Apex Properties	. 1.3	Oct 26	1.3	2	2
Copydexin	t 2.25	Oct 12	Nil	_	2.5
Fife Indmarin	1.4	Oct 1	1.3	-	6.3
First Scot Am Tstin	1.4	Oct 1	1.4	_	5.15
Jes Roldings	. 2.14	Nov 1	2.02*	3	2.884
Geo Inghamin	t 0.5	Oct 3	0.25	_	0.75
Lasmo in	t 4.5†	Oct 31	4.5	-	11
Parambeln	t 0.35	Oct 7	0.3	-	0.8
Rentokil Gronpin		Nov 4	0.6*		1.63*
Standard Chartered in	9.5	Oct 7	9.2+	_	271
Taylor Woodrowln		Oct 3	5.5	_	19.6
Dividends shown pence : * Equivalent after	per share allowing	net excep	t where o		e steted. capital
increased by rights a	nd/or a	cquisllion	issues.		slock.

#### **BOARD MEETINGS**

The following companies have notified	FUTURE DATES
tos of board meetings to the Stock	Interime—
changa. Such maetings are usually	Beth and Portland †
id for the purpose of considering	Bowster
vidence. Officiel indications are not	5rame:
Silable as to whether the dividends	C*2***
inlenms of finals and the sub-	Cocker
test ore wolled needle entirely	House Procesty of London
ainly on last year's timetable.	hu-Swift Industries
•	Oure:5 Abraid
TODAY	25-1-4
Interior. Therein Industrian Con-	?e-':\
interims: Blagden Industries, Coar-	Yaniania Cremeata
house Petroleum, Dersk Crouts.	Fma:s—
wiey, Nava Industri. Poarl Assurance,	Continents: Microways
tork, Stough Estates, Tilley (*); r-	S 2.127
tional, Wobber Electro Components.	r Americal.

### Fife Indmar slightly higher at six months

PRE-TAX PROFITS of Fife Indmar, marine and general engineer, improved from £337,000 to £403,000 for the half year to June 30 1983. Turnover was up from £5.58m to £5.72m and trading profits were £7,000 bigher al £428,000, interest took £25,000 against £24,000.

After tax of £100,000 (£90,000) not profits emerged slightly lower at £303,000 (£307,000). An increased interim dividend of 1.4p (1.3p) is declared, and

1.4p (1.3p) is declared, and absorbs £39,000 (£37,000) to leave retained profits of £264,000 (£270,000).

butable tax of £29,059. As a consequence, they add, the second edditional payment payable in terms of the original share purchase agreement bas been reduced from £160,000 to £65,026.

Park Products trading results for the first half of the corrent year have proved satisfactory and this position has continued to date, say the directors.

#### Dewhurst & Partner

In the summary of company news published on August 15 half-year figures of Dewhurst and Partner, maker of electrical control equipment. The interim statement shows that for the 26 weeks ended March 27 1983 turnover moved up from £1.59m to £1.68m and profil from £24.240 to £57.680, subject to tax of £17,000 (£7,000).

### Pritchard calls for £23m and bids for Spring Grove

day by Pritchard Services.

Pritchard, which derived the hulk of its £4.8m half-time profit from bullding cleaning maintenance and health care services, is expecting to expand the activities of its United Linen subsidiary with an all-share offer for Spring Grove.

The terms are seven Pritchard chares down 80 at 138n, for

(£270,000).

The directors say that, mainly as a result of inadequate provisions for slow moving stocks, profits of Park Products, ecculred last year, incorporated in the annual accounts will be reduced by £46,359 net of attributable tax of £29,059. As a consequence, they add the second

for Spring Grove.

The terms are seven Pritchard sbares, down Sp at 138p, for every 20 Spring Grova shares, which fell 2p to 46p.

Spring Grove which is 36 per cent-controlled by Charterhouse, had warned earlier this summer that it was in bld talks but the projected take-out price was unlikely to exceed 50p per share.

As it it, the movement in both shares yesterday means that the purchase has been struck et 44.3p per share.

Spring Grove's downbeat approach to these discussions from the outset slems from the E7.6m acquisition it made last June for St George's Group, which materially expanded its linen rental activities.

For what Spring Grove has described as a lack of "management controls," St George's has cost Spring Grove dear, The new subsidiary incurred a substantial loss in its own right and, what with the ettendant debt servicing costs, Spring Grove dear, Thenew subsidiary incurred a substantial loss in its own right and, what with the ettendant debt servicing costs, Spring Grove dear, Thenew subsidiary incurred a substantial loss in its own right and, what with the ettendant debt servicing costs, Spring Grove dear, Thenew subsidiary incurred a substantial loss in its own right and, what with the ettendant debt servicing costs, Spring Grove dear, Thenew subsidiary incurred a substantial loss in its own right and, what with the ettendant debt servicing costs, Spring Grove dear, Thenew subsidiary incurred a substantial loss in its own right and what with the ettendant debt servicing costs, Spring Grove dear, Thenew subsidiary incurred a substantial loss in its own right and, what with the ettendant debt servicing costs, Spring Grove dear, Thenew subsidiary incurred a substantial loss in its own right and which is shown in the last against almost towel rental, dust mat rental, industrial wiping cloth rental industrial wiping cloth rental ancillary activities. Pricker did the control of th

commitments which are supported by net worth of approximately £9.5m.

The call on shareholders which
the hidder has now announced
should take gross assets up to
about £90m before goodwill, as
shown in the last balance sheet,
of about £99m. Overall debt,
then, should amount to some 30
per cent of net taugible assets.

That should be readily manageable for a group which is showing good compound growth. It
ahould also have a ready answer
to e suggestion of a reference
to the Monopolles Commissim as
a result of its proposed acquisition.

what with the ettendant debt share was £23.6m. That included servicing costs, Spring Grove laundry, dry Cleaning, linen made just £59,000 in the year to end-March last against almost towel rental, dust mat rental, 2003-2008 offered by the £vode Group, via a rights issue, over £1.3m in the previous 12 months.

It is a moot point whether conditions activities.
Charterhouse would have contemplated these terms, or any bid whatsoever, had St George's over £4m and had grown by a proved a success. Its failure tenth in the subsequent year.

Pritchard said yesterday that

A £23.4m RIGHTS ISSUE, a 19 associate had been unable to tender for some of the big contracts in lts market, for instance, the National Coal Board workwar rental business.

Pritchard services.

Pritchard Services.

Pritchard, which derived the profits and proposed by net worth of approximation of the proposed by net worth of approximation of the proposed by net worth of approximation of the list of the profits in the last decrease of the light contracts it secured in the last decrease for cities in the case of the market for some of the market for instance, in a market for instance, in a market for instance, in the market for instance, in a market for instance, in the market for instance, in the coloring with the objective of developing this activity, both in this country and contracts in the market for instance, in the market

and overseas, in a major part of the group's services."

Pritchard is best known for the big contracts it secured in the last decade for cities in the Gulf such as Riyadh and the exposure it has received from the privatisation of municipal classifiers but the UK. exposure it has received from
the privatisation of municipal
cleaning husiness in the UK,
the traditional, and by all
accounts jealously guarded preserve of the National Union of
Public Employees.
For all its complaints of
industrial sabotage and "dirty
tricks" in Sonth London
boroughs and elsewhere. Pritchard is confident of further chard is confident of further strong growth in its home base and oversees. The only setback in the six months to July 23 was in the U.S. bealth care was in the U.S. bealth care operations, where through a combination of legislation and recession, the provision of nursing staff and other services to American hospitals has been set back for the short term. The rights issue is accompanied by the declaration of a 1p net interim dividend and the forecast of a 15 per cent rise in the total for the year to 3.45p

#### Evode Group

Of the £3,979,248 8 per cent

in the total for the year to 3.45;

# Standard Chartered &

### **Interim Statement**

The Standard Chartered Bank Group profit before taxation for the half-year to 30th June, 1983, is

Half-yearended Half-yearended Half-yearended 30th June . 31st December 30th June · 1982 £m Profit before provision for bad and doubtful debts 176.5 195.6 131.6 Provision for bad and doubtful debts 54.5 60.1 116.4 141.1 100.9 Profit before taxation

The pre-tax profit for the half-year to 30th June, 1983, was 15% up on the comparable period of 1982; despite the need to make large provisions for bad and doubtful debts, particularly in the United Kingdom and Hong Kong. Group profit experience this year has been mixed with strong performances in South Africa, California and in the U.K. International and Treasury Divisions, a turnround into profit in Chartered Trust and rather flat or lower results in the East After financing costs, the MAIBL acquisition

An Interim dividend of 9.5 pence per share (1982 – 9.2 pence) has been declared for payment on 7th October, 1983, to shareholders registered on 16th September, 1983. As indicated at the time of the Rights Issue in April 1983, the Directors expect, in the absence of unforeseen circumstances, to recommend dividends in respect of the year ended 31st December, 1983, amounting to at least 27 pence per share on the share capital as increased by the Rights Issue.

#### **Group Results**

(unaudite	d) "		
	Six months ended 30th June 1983	Six months ended 31st December 1982	Six months ended 30th June 1982
	£m	£m	£m
Trading profit of the Bank and its subsidiaries (Note 1)	116.2	139.9	104.4
Share of profits of associated companies	18.7	19.8	14.8
	134.9	159.7	- 119.2
Interest on subordinated loan capital	18.5	18:6	18.3
Profit before taxation Taxation:	116.4	141.1	100.9
The Bank and its subsidiaries (Note 2)	40.0	45.1	38.2
Associated Companies	8.0	8.0	6.5
Profit after taxation	68.4	88.0	56.2
Minority interests	13.9	1,9.9	10.3
Profit before extraordinary items	54.5	68.1	45.9
Profit attributable to members of the Bank	54.5	66.9	45.9
Dividend	148	23.1	11.9
Profit retained	39.7	43.8	. 34.0
Earnings per share (Note 3)	39.1p	52.6p	35.4p
Dividend pershare	9.5p		9.2p
	(Interim)	(Final)	(Interim)

Notes to the Group Results:

The charge of for bad and doubter	o the profit o	of the Bank and it	s subsidiaries
Six months ended	30th June 1983	3 ist December ) 982	30th June }982
Specific	£m	.: £m 43.0	£m 29.3
General	53.1 7.0	1.1.5	1.4

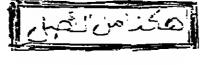
The out of the

2. The charge for taxation, which is based on the estimated effective rate for the year, assumes a U.K. Corporation Tax rate of 52% (1982 - 52%).

 Earnings per share are based upon profit before extraordinary items and the weighted average number of shares in issue, taking into account the Rights Issue of new shares in April.

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### **BIDS AND DEALS**

### Asia Oil rescue package for Reynolds shareholders

sia Oll and Minerals, a small Australian mining company, yesterday revealed long-delayed an all-share offer for Pennant Pacific Resources worth

Shareholders accepting the offer for Pennant, a gold and precious metals group which obtained a listing on the Albertn Stock Exchange in Canada, in March this year, will at the same time be accepting an infer by Peunant for Reynolds Diversified Corporation, the Nevada-based energy group, valued at £14.5m.

valued at £14.5m.

The deal is intended to rescue Reynolds sbareholders, who bave been unable to deal in their shares slince they were suspended on the London Stock Exchange in February last year. This arose because the Stock Exchange insists that principal dealings in overseas companies must take place outside of the UK. All but 1.000 of Reynolds UK. All but 1,000 of Reynolds 6,500 ahareholders live in the

A bid for Reynolds by Pennant was first announced at

BET OFAL
BET Omnibus Services has
sold its wholly owned plant bire
subsidiary, Grayston, to its
parent company The British
Electric Traction Company. The
consideration, based on the net

asset value of Grayston at March 31 1983, was £20.1m and bas been

loaned to the pareot company on commercial terms.

GREENWICH CABLE

Family interests of Jarvis Astaire have acquired by way of

issue of shares 149,992 new ordi-pary of Greenwich Cable Com-

munications at 50p per sbare.
These will rank pari passu
with existing sbares, and tha
issued canital of the company is

BET DEAL

the end of May and was accom-panied by plans for a rights issue intended to raise £9.5m. The entry of Asia Oil—first as a bid contestant with Pennant and then as a company willing to bid for Pennant once its deal with Reynolds had been completed—has delayed the completion of the rights issue.

However, Mr Lynne Brooke, president of Reynolds, said yesterday that 55.25 per cent of the rights had been taken up. He said the company was confident that the targeted £9.5m would be raised and expected to complete the raised and expected to complete the raised and expected to complete the raised the raise plete registration by the middle

Asia Oil's offer comprises 11 of its own shares for every of its own shares for every share in Pennant, plus an Asia share in Pennant, plus an Asia Oil option for every warrant in Pennant. Each option will entitle holders to buy an Asia Oil share on or before June 30 1986. Asia Oil yesterday disclosed accumulated losses at the beginning of this year of more than \$4.5m. This arises in large part because of exploration costs incurred in 1982 amounting to almost \$2.6m.

now £625,000, represented by 2.5m ordinary.
Mr Jarvis Astaire has been appointed to the board as from August 8, 1983.

SPA PACKAGING

Mr Bichard Archer and Mr Roger Dickens, of Feat, Marwick, Birmingham, join receivers and managers of Spa Packaging, have completed a sale of the major part of the business to High Wycombe-based Phillips Packaging

per cent of the holders in respect of 16,513 Brett preference shares (81.6 per cent). Jackson already owns the ordinary capital of Brett. The period for acceptance of the offer bas been extended to 3.00 pm on September 12.

closes on September 23.

It nevertheless forecasts earnings for tha year abead amounting to about £1.5m from the Sirdar gold mina in Western Australia, where a commercial

gold reserve has been delineated.

Mr Brooke said yesterday that
the chairman of the new company would be Mr Geoffrey
Lambert, who is the current
chairman of Asia Oil and

formerly worked with Hambros in Australia. There will be eight

other board members-four to

be drawn from Asia Oil and four to be drawn from Pennant and Reynolds. An announcement board membership is expected in

September.

Reyrolds' shares were suspended ig months ago at 11p a abare. They bave since then traded ovar the counter in the U.S. at prices ranging between 1p and 1p. Assuming the Asia Oil bid is successful, and the rights issue completed on schednle, then trading in the new shares can

trading in the new shares can be expected to resume by the

end of September in Australia and on the Alberta Stock Exchange. The Asia Oil offer

September.

LONDON INV. TST. The recommended offer by the London Investment Trust for British Industries and General Investment Trust has been accepted as to 91.5 per cent (4.420,683) of the deferred shares, and 94.9 per cent (£284,721) of the preferred JACKSON/BRETT'S

Tha offer by J. and H. B. Jackson for all the issued preference shares of Brett's Stamping Company has been accepted by 77.7

shares, and 94.9 per cent (£284,721) of the preferred stock.

The offers heve been declared unconditional and will remain open until further notice. Hamlyn sells mail order for £2.75m wbolly ownad subsidiary of lead International, revealed

yesterday that it intends to sell its Odhams mail order business to Reeves Communications (Holdings) UK in a deal worth about £2.75m. Reeves Communications UK is

a subsidiary of Reeves Com-munications Corporation in tha U.S. It is understood to have approached Hamlyn's several months ago with an offer. It owns a similar mail order pub-lisher in the UK, Leisure Arts. lisber in the UK, Leisure Arts. Over the past year, Reed has Reed International axid yes-made ebout 12 acquisitions, and terday that the price tag in- a similar number of disposals.

per cent).

Hartons Group—By virtue of an acquisition of 1,418,750 ordinary shares in Harton's Group from Macanie Invest-

The Hamlyn publishing group, cluded both trading assets and wbolly owned subsidiary of goodwill. Odhams mail order bad a turnover last year of about £10m, and was making profits. The company could not disclose

The company could not disclose bow large these were.

The spokesman said Reed had been willing to sell the company—not to be confused with its Odhams printing works which was disposed of to Mr Robert Maxwell'a British Printing and Communications Corporation—because it was self-standing, and herems the terms of the offer because the terms of the offer

#### SHARE STAKES

Asset Special Situations Trust

—Mr D. Bowe-Ham, a director,
bas purchased an additional
50,000 ordinary shares. Charles Hill of Bristol — A. N. Breeze, a director, bas sold 18,573 ordinary shares. AI Industrial Products - C. J. Al Industrial Products — C. J. Sliun of Douglas Iolf is beneficial owner of 490,000 ordinary shares (5.025 per cent of the issued ordinary shares).

Paterson Jenks — As et July 11, 1983 G. Hodson as company trustee of A. Jenks family trust, beld 770,316 ordinary shares (8.1 per cent).

Byan Hotels—Mr Conor McCarthy has acquired as beneficial owner, through Pembroka Investments, 842,282 ordinary ahares from F. O'Hara, this transaction lifting Mr. transaction lifting
McCarthy a spareholding 3.921,917 ordinary ahares, which represents 16.36 per cent of the ordinary share capital.

Charles Hill—Mr A. H. Milne bas sold 19,000 sbares bene-ficially, and 24,000 shares as a

Grampian Holdings—Edinburgh American Assets Trust now bolds 750,000 ordinary shares, equal to 7.386 per cent.

Group from Macanie Investments, the investment company of Mr Max Maimann, his family and associates, Mrs Monica Davis, the daughter of Mr Max Maimann, became interested in 4.404.655 ordinary shares in Hartons (16.44 per cent). As a result of this transaction Macanie Investments has sold its total Queens Moat Houses—Mr D. C. N. Baring, a director, has disposed of 70,863 ordinary sbares and now bolds 210,437

result of this transaction Macanie Investments has sold its total interest in the issued ordinary share capital of Hartons.

United Guarantee Holdings—
H. W. King, chairman, has sold 130,000 ordinary shares thereby reducing his bolding to 1,182,000 shares (21 per cent).

Netl and Spencer — Baring Bros and Co bas, disposed of 300,000 ordinary shares thereby reducing its holding to 890,463 shares (5.84 per cent). ments—The Airwaya Pension Fund trustees bave purchased a further 50,000 ordinary sbares, bringing their total bolding to 1,037,500, representing 9.43 per

Forminster—The Prudential Corporation has disposed of 95,000 ordinary (2.56 per cent) and now holds 257,000 ordinary (6.95 per cent).

H. Samnel—Mr A. S. Edgar bas purchased 30,000 ordinary shares and now holds 2,535,104

shares (37 per cent of the voting equity).
Hitl Samnel Group—The Nor-wich Union Insurance Group hold 3,578,728 ordinary shares,

equivalent to 5.029 per cent.

### De Beers checked by its non-diamond interests

BY KENNETH MARSTON, MINING EDITOR

DESPITE the gradual recovery in the world diamond market South Africa's De Beers Consolidated Mines reports lower earnings for tha first balf of this year of R223.7m (£130.9m) compared with R239.1m in the same period of last year. The interim dividend stays at last year's balved level of 12.5 cents (7.30). (7.3p). This disappointing outturn

This disappointing outturn bas come about not as a result of any unexpected setback in the group's improving diamond income but instead reflecta the fortunes of the group's non-diamond interests. Thus there is a fall to R93.3m from R152.3m a year ago in the share of retained profits after tax of associated companies. State's share of profit undor mining losses ...
Outside holders 

retained profits after tax of associated companies.

These companies include Anglo American Corporation and Anglo American Industrial Corporation, both of which have reported lower profits, and the Anglo group's flagship for interactional expansion, Minerals and Rese/rees Corporation (Minorco) which sailed into a loss during the six months to last December; Minorco's results for the full year are doe in for the full year are doe in

October.

Helped by lower capital expenditure at the mines, De Beers diamond account revenue has risen to R158.9m from R108.5m at this time last year while investment income—helped by gold interests—has moved up to R101.9m from R91.3m. Interest receipts have risen while

Helf year 1963 1962 From Flow 1963 1962 From Flow 1963 1962 From Flow 1963 1965 From Flow 1963 1965 From Flow 1963 1965 From Flow 1963 Investment income 20.0 23.2 23.2 (uncut) gent diamonds by an 20.0 23.2 24.2 (uncut) gent diamonds by an 20.0 25.2 25.2 (uncut) gent diamonds from 1965 From 1965 Information 1

15.5 3.6 0.9 0.9

of this year.

Subsequently, the CSO announced that the value of world sales of rough dismonting in first-balt 1983 had risen in dollar terms by 40 per cent on the previous six months.

While the dismond market has pulled out of the vorst of its recession it has a long way to go to reach buoyant conditions—there is still little demand for the larger and more expensive stones—and De Beers must continue to finance a big stockpile. the stockpile, have been ins about matched in the latest helf

about matched in the latest helfyear by interest income. Overall,
De Beers should do rather better
in the second helf. hopefully
Minorco will have pulled out of
the red—but it may be quite a
while before he group is sufficiently confident of the outlook
to increase its 57.5 cents annual
dividend rate.

In London yesterday the
shares moved up 10p to 690p
thead of the results. When the
results were known the price
dropped to 650p before rallying
to close at 665p; such resilience
belies the conclusion that the
shares seem fully-priced on interest charges have fallen.

A surplus of R7.4m on realisation of investments has appeared against nothing last time. Reflecting the sharp increase in revenue on diamond account the tax charge has risen to R65.2m against R37.8m. to R65.2m against R37.8m.
Earnings per share before extraordinary items come out at 66.7 cents against 70.3 cents a year ago. But if the share of retained profits of associated companies after tax is excluded the latest earnings per share equal 40.7 cents against only 28 cents.

cents. shares seem fully-priced
The diamond market continues usual investment criteria.

### Better year for EZ Industries

mining operations and an improved contribution from the uranium interests helped Australia's EZ industries to improved profits in the year to June 30. (£17m), np from A\$9.12m last year, and the final dividend is restored with e payment of 9

cents. This makes a total for the year of 12 cents, compared with Drummend in Sydney.

last year's single payment of 3 The contribution from associates, mainly the 30.5 per centowned Energy Resources of cents at the interim stage.

ates, mainly the 30.5 per centowned Energy Resources of
expressions in the year to June 30.

EZ's own operations made prefax profits of A\$8.9m, against a
A\$1.08m... to A\$18.52m. ERA
loss last year of A\$12.5m. Lower operates the big Ranger granium
gear, and the final dividend is
restored with e payment of 9

by product gold, silver and successful first year.

### 'Johnnies' boosts its final

equivalent to 5.029 per cent.

Tern Consulate — Sheeltex Trading has a holding of 220,000 ordinary shares (9.4 per cent).

York Mount Group announce that County Bank has purchased 50,000 ordinary 10p shares, which represents 5 per cent of the ordinary share capital.

from South Africa's Johannes share, compared with resource, the second half of the year to June 30 include an increase of R71m from R64.8m and the all-platining gold and diamonds. Profits growth was seen largely in the form of fees year's total ef 650 cents (304p) in the form of fees year's total ef 650 cents against and interest—has Junped to 600 cents for the previous year.

Net profits amount to R102.7m operating subsidiaries, however, in 1983-84.

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COMPANY NOTICES

ABN Bank

ALGEMENE BANK NEDERLAND N.Y.

rporated in The Nether with limited liability)

character v. nas Sectared an interim share, at the option of the share-holders in the option of the share holders in the option of the option option of the option option option of the option option

# De Beers

### Interim Report and Declaration of Dividend

The following are the unaudited consolidated results for the half-year ended 30th June 1983 together with the comparative figures for the half-year ended 30th June 1982, and for the year ended 31st December

	Half-year anded	Half-year ended	Year ended
	30.6.83	30.6.82	31.12.82
201-11-0-1-0-0-0-0	R millions	R millions	
Diamond account Investment income	158.9 101.9	108.5 91.3	287.5 149.0
Other interest	32.0	23.2	49.5
Share of retained profits after tax of associated			
companies	93.3	152.3	240.0
Net surplus on realisa-	<u>.</u>		
tion of investments Surplus on realisation	7.4	_	10.8
of fixed assets	0.1	1.2	1.0
	393.6	376.5	737.3
Prospecting and research	26.4	25.5	59.0
General charges	4.8	7.0	15.7
Amount written off fixed	32.1	48.6	94.3
assets end loans	0.5		2.2
	63.8	g1.1	171.7
	329.8	295.4	566.1
Tax	65.2	37.8	89.0
State'a share of profit under mining leases	7.3		_
	72.5	37.8	89.0
Profit after tax	257.3	257.6	477.1
Profit attributable to			
outsida sbareboldars in		- 11	
subsidiaries Dividends on preference	16.6	3.6	32.g
shares	0.9	0.9	1.8
	17.5	4.5	34.6
		<del></del>	
Net profit attributable in deferred shareholders			
before extraordinary			
items	239.g	253.1	442.5
Share of extraordinary losses of associated com-			
panies	16.1	14.0	14.9
	223.7	239.1	427.6
Dividends on deferred shares	45.0	45.0	134.9
Retained profit	178.7	194.1	292.7
Earnings per deferred share before extra-			
ordinary Items:	•		
Excluding share of re-			
tained profits of asso- ciates	40.7c	28.0c	56.3e
Including share of re-	2010	20.00	-
tained profits of asso-	66.Te	70.3e	123.0c
Dividends per deferred			·
share: Interim	12.5e	12.5c	12.5e
Final			25.0c
	Camina	of this warner	t and I ha man
	Cobres (	of this repor	were ne bos

It should not be assumed that the results for the half-year ended 30th June will he repeated in the balf-year ending 31st December, since income does not necessarily accrue evenly throughout the year.

### BORROWINGS

At 30th June 1983 short and medium term borrowings were R532 million and other net current assets R447 million, compared with R531 million and R321 million respectively at 30th June 1982 and R564 million and R392 million at 31st December 1982. Long term borrowings were R34 million at 30th June 1983 compared with R59 million at 30th June 1982 and R53 million at 31st December 1982. These figures exclude R200 million redeemable preference shares issued by subsidiary companies subsequent to 30th June 1982 and dividends of R6 million accrued thereon, compared with R200 million and R7 million respectively at 31st December 1982.

#### INTERIM DIVIDEND Declaration of Dividend No. 127 on the Deferred Shares

An interim dividend in respect of the year ending 31st December 1983 being dividend No. 127 of 12.5 cents per sbare (1982: 12.5 cents) has been declared payable to tha bolders of deferred shares registered in the books of the Company at the close of business on 30th September 1983 end to persons presenting coupon No. 71 detached from deferred share warrants to bearer.

A notice regarding payment of dividends on coupon No. 71 detached from share warrants to bearer, will be published in the press by the London Secretaries of the Company on or about 23rd September 1983.

The deferred share transfer registers and registers of members will be closed from 1st October 1983 to 14th October 1983 both days inclusive, and warrants will be posted from the Johannesburg and United Kingdom transfer offices on or about 3rd November 1983. Registered sharebolders paid from the United Kingdom will

receive the United Kingdom currency equivalent on 3rd October 1983 of the rand value of their dividends (less appropriate taxes.) Any such shareholders may, bowever, elect to be paid in South African currency, provided that the request is received at the Company's transfer nffices in Johannesburg or the United Kingdom on or before 30th September 1983.

The effective rate of non-resident shareholders' tax is 11.001 per cent.

The dividend is payable subject to conditions which can be inspected at the head office end London office of the Company and also at the Company's transfer offices in Johannesburg and the United Kingdom.

For and on behalf of the board H. F. OPPENHEIMER

J. OGILVIE THOMPSON 24th August 1983

of this report will be posted to all registered shareholders

Head Office: 36 Stockdale Street, Kimberley, South Africa. London Secretaries: Anglo American Corporation of South Africa Limited, 40 Holborn Viaduct, London EC1P1AJ. Transfer Secretaries: Consolidated Share Registrars Limited, 40 Commissioner Street, Johannesburg, (P.O. Box 61051, Marshalltown, 2107)

Charter Consolidated P.L.C., P.O. Box No. 102, Charter House, Park Street, Ashford, Kent TN24 8EQ.

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Incorporated in the Republic of South Africa

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3-4 Flats/Houses of 1.500 sq. ft. S-9 Fight/Houses of 1,300 sq. ft.

arre each.
The Flatx must be in developments of 6-12 Flats must be in developments of 6-12 Flats per Block in individual developments. Accommodation is southly in pood rasidential areas within easy commuting distance of Adwych. Details to ist Secretary (PAMI, High Commission pr India, India House, Aldwych, London, W.C.2.

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LEGAL ROTICES IN THE MATTER OF
PANKS-THE PRINTERS LIMITED
AND IN THE MATTER OF
THE COMPANIES ACT 1948
NOTICE IS HEREBY GIVEN that the
creditors of the above-named Company,
which is being voluntarily woond up,
are required, on or before the 5th day
of September, 1983, to send in their
full Christian and sumannes, their
saddresses and descriptions, full perfect
lare of their debts or claims, and the
names and addresses of their Solicitors
(if any), to the undersigned Panick
Gramville White of t Wardrobe Piece.
Certer Lane. London EC4V. SAJ, the
Liquidator of the said Company, and,
if no required by ootice to writing
from the said Llouidator, are, personsily or by their Colicitors, to come in
and prove their debts or claims at such
time and piace as shall be specified
in such notice, or in default thereof
thay will be excluded from the benefit
of any distribution made before such
debts are proved.

Oested this 27th day of July 1983,
PATRICK GRANVILLE WHITE,
Liquidator.

PERSONAL

FACT

ALREADY NEARLY 100,000 members help the British Diabetic Association.

M.L. HOLDINGS p.l.c. ORDINARY SNARES OF 258 7 PER CENT REDEEMABLE PREFERENCE OF ST

NOTICE :5 HERREY GIVEN that the action Books and Registers of Mem-By Order of the Board A.P. SMITH, Secretar

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Mang the death from an and a m to come and in C Advertising part per A days Senause Eapers :

die word in Nep

French agency

launches \$75m

Eurobond, Page 28

ward trend which has become evident

The Commerzbank index shed 2.9 to

937.2 and some banks saw losses. Com-

merzbank eased DM 1.80 to DM 169.70, Deutsche Bank fell DM 4 to DM 310 and

Bayerische Vereinsbank lost DM 1.50 to

The motors sector also underwent

selling, with Daimler down DM 7.50 to DM 563 and VW at DM 222.50, a drop of

DM 2.50. BMW, however, recovered

from a low DM 377 to end unchanged at

Banks were also sharply lower in Amsterdam with NMB losing F1 12.50 to F1 150 after releasing its annual results. ABN was down F1 8 at F1 378 following

its Fl 13 dividend. Internationals saw

Monday's gains disappear. Akzo fell FI 2.10 to FI 78.20 and KLM lost FI 4 to FI

Trading in Paris was more buoyant, however, boosted by Wall Street's performance and a dip in the French daily call money rate. The advances pushed

the market's indices to new highs - over

the past month the market indicator has

risen hy almost 10 per cent and is now 45 per cent above its December 31 level.

in the foods sector, BSN rose FFr 38

to FFr 2,057, Moet Hannessy gained FFr

19 to FFr 1,284 and Pernod-Ricard

Steel shares led a rally in Brussels on a day of easy trading. Arbed was up BFr 28 at BFr 1,322 and Clabecq gained BFr

20 at BFr 918, while Cockerill-Samhre

But Fabrique National (FN), the arms manufacturer, slipped BFr 10 to end at

Utilities were little changed and oil stocks were quiet as well with Petrofina

Early falls in hanking shares spread

Swiss Bank, Credit Suisse and Volks-

Prices generally eased in most sectors

in Milan, through late speculative sales

bank were all lower, hut UBS ended up

across the market in Zurich, where investors were also uneasy over Brazil's

remaining unchanged at BFr 6,040.

firmed FFr 13 to FFr 757.

advanced BFr 3 to BFr 164.

deht problems.

SwFr 10 at SwFr 3,280.

over the past couple of days.

DM 315.

DM 382

NEW YORK STOCK EXCHANGE 18-19 AMERICAN STOCK EXCHANGE 19-20 WORLD STOCK MARKETS 20 LONDON STOCK EXCHANGE 21-23 UNIT TRUSTS 24-25 COMMUNITIES 26

CURRENCES 27

INTERNATIONAL CAPITAL MARKETS 28

### SECTION III - INTERNATIONAL MARKETS

FINANCIALTIMES

Wednesday August 24 1983

**WALL STREET** 

### Searching for an interest sign

MARKETS on Wall Street remained poised for a sign on the outlook for U.S. short-term interest rates yesterday. The key Federal Funds rate, keenly scanned as an indicator of the policies of the Federal Reserve Board, traded at 9% per cent, a shade lower than overnight. But credit markets could make no headway, and stock prices slipped lower, pushing the Dow Jones Average down through the 1,200 mark once more, writes Terry Byland in New York.

The bond market opened firmly despite some disappointment at the announcement of a small rise in consumer prices over July. There was again a lack of retail buying support and the market was left to drift uneasily while the dehate on interest rates continued.

The stock market traded sluggishly, with investors clearly unwilling to take up new positions. The major institutions were again picking up substantial lines of stock, sometimes below the market price. The Dow Jones Industrial average was down 10.26 points at 1192.89 at the

A block of 1m shares in National Steel, the number four steelmaker, changed hands at \$25% following the

FT-Actuaries All-Share Index

1980

530.83 · 535.58 131,17 131.07

STOCK MARKET INDICES

162.7

459.07

496.43

447.55

668.2

79.67

680.39

595.8

55.32

134,16

2450.7

181.3

145.0

315.92

937.2

933.14

206.21

141.8

115.8

985.1

338.0

179.3

GOLD (per ounce)

NEW YORK

DJ industrials

S&P Composite

**DJ** Utilities

FT Ind Ord

FT-A 500

FT-A Ind

Tokyo SE

AUSTRALIA

Metals & Mins.

All Ord

AUSTRIA

BELGIUM

CANADA

Toronto

Montres

Industrials

DENMARK

FRANCE

CAC Gen

Ind. Tendance

WEST GERMANY

Commerzbank

FAZ-Aktien

HONG KONG

Hang Seng

Banca Comm

NETHERLANDS

ANP-CBS Ind

NORWAY

Oslo SE

SINGAPORE

Straits Times

SOUTH AFRICA

Industrials

Madrid SF

SWITZERLAND

Swiss Bank Corp

SPAIN

SWEDEN

J&P

WORLD Capital Ini i

London

Frankturt

Paris (fixing)

indicates latest pre-close figure

ANP-CBS Gen

ITALY

Copenhagen SE

Credit Aktie

Belgian SE

TOKYO

FT-A All-share

FT Gold mines

FT Govt secs

LONDON

KEY MARKET MONITORS

signing of a definitive agreement to sell the Weirton plant to the workforce.

Among major stocks to turn down, IBM at \$119 lost \$2%. On the over-thecounter market, shares in Amdahl, whose products compete with IBM's fell \$1% to \$16% after reports of a delay in the introduction of the series 5880 its new model.

Shares in American Telephone and Telegraph continued to edge forward on the hope that the strike will be settled this week. At \$66%, the shares had gained \$1%.

Shares in MCI sased following publi-cation of a Federal Communications Commission decision on charges for entry to phone lines. The report, however, did not differ fundamentally from the Commission's preliminary decision pub-

licly announced at the end of last month, A dull motor sector was led lower hy General Motors, which lost \$% to \$67. General Electric, at \$47% shed \$%.

A batch of trading statements from major companies prodoced only a few changes in share prices. Deere, the farm equipment manufacturer, edged higher to \$38% on reporting higher third quar-ter earnings. Firestone improved by \$% to \$19% after reporting a similar improvement. Among the financials, shares in BanCal Tri-State soared \$13% to \$47 after an agreed bid from Mitsubishi Banking.

In the credit markets, rates opened slightly above overnight levels in re-sponse to the regular Monday auction. The three month hill traded at a discount of 9.20 per cent, a gain of four basis points, and the six month hill at 9.32 per cent was only one basis point up.

T-Industrial Ordinary Index (30-Share)

July August

STERLING

4.0275

3.2755 4.5 .

80.75

1.8835

8%

4%

57re

10%a

10%

8%

9.75 8.15

10.67

11.51

11.52

12.10

Aug 28 Previous

4.025

12.115

80.6

1.882

4%

5%

9% 9.6 8.19

993%s 963%s

102%

72-03 72-16 71-31 72-16

90,24 90.33 90.22 90.29

89.98 90.05 89.95 89.98

102-15 103-07 102-14 103-00

831,70p

£1064.00

£1717,50

\$28.82

£1061.75

£1717,50

\$28.82

14%

1963

U.S. DOLLAR

1.529

2.6325

242,95

7.915

2.14 2.9425 2.14 3.275 2.9425 4.485 1571.5 2.396

52,83

DITEREST NATES

Aug 23 Previous

2.6325

243 3

7.9275

2.141 2.8440

52.74

(three month affered rate)

3-month U.S.S

-month U.S.S

Price Yield 1985 99\*%: 10.87 1990 101\*%: 10.35

1993 . 102% 11.52

2013 103% 11.54

U.S. Treasury Bonds (CBT)

U.S. Treasury Bills (IMM) S1m points of 100%

8% 32nds of 100%

Cert Deposit (HMM) \$1m points of 100%

S1m points of 100%

Silver (spot fixing)

Oil (spot Arablan light)

Copper (cash)

Coffee (Sept)

250,000 32nds of 100%

LONDON

20-year N

Three-m

FINANCIAL FUTURES

90.83 90.91

LONDON COMMODITY MARKETS

**U.S. Treasury Bills** 

DM

FFT

U.S. 2 month CDs

U.S. J-month T-bills

(offered rate)

10%

11%

12

1.23125 1.23225

1962

Lira

CS.

Year ago

337,31

115.22

116.11

571.0 343.5 375.83

348.80

78.52

312.5

525.0

467.7

372.7

48.5

94.61

1549.1

88.75

111.0

222.7

675.4

172.38

86.6

68.0

105.02

623.0

560.9 597.6

110.2

242.4

128.7

\$424,625

\$421.75

\$422.50

\$421.67

\$425.70

993.14 7067.65

1203.15 891.17

164.34

740.4 465.67

504.72

661.2

79.82

9169.18 9203.75 7053.49

682.49

592.5

55.12

133.25

2454.8

409.91

177.59

136.0 144.2

317.73

940.1

206.38

143.4

116.5

210.07

986.18

n/R

1475 18 1475 18 619.72

338.2

178.6

Aug 23 \$425.625

\$426.25

\$427.50

S425.71

S425.2

117.72 closed

The crucial point for the market re-mains the trend of the federal Funds rate. Market analysts were busy yesterday trying to guess the outcome of this week's meeting of the Fed's Open Mar-

ket Committee.

The key long bond, the 12 per cent of 2013, touched a new peak of 103 hid at one time, but by mid-session had softened to 1037/2, at net 1/2 down on the day. In the municipal bond markets, yields were also little changed from the previous session.

LONDON

### Record run ends in a tumble

A SHARP reversal in the recent sustained equity advance to record levels took London markets by surprise yes-

Continued pressure on American favourites such as ICI - quoted ex-divi-dend in the U.S. yesterday - and Glaxo, with revived easiness in early Wall Street trading, accelerated the fall. The FT Industrial Ordinary share index closed 16.4 down of 724.0 - its higgest one-day fall in two years.

The sudden change in sentiment cast pall over many speculative issues none more so than Irish Sea oil hopefuls. Further suggestions of forced selling after Monday's relapse in the sector accompanied fresh offerings and the weakness later spilled over into leading

Gilt-edged securities remained aloof to the equity market's troubles, Busi-ness was inhibited by considerations connected with Monday's Government funding via the £500m issue of two tranches of existing stocks, and all maturities eased a fraction from a firm

Australian equities raced ahead once the budget proposals were known in London. Leading stocks recorded good rises across the board, and the secondliners strengthened in sympathy. Details, Page 21, Share Information Service; Pages 22-23.

#### AUSTRALIA

BULLISH overseas factors appeared to exert more influence in Sydney and Melbourne yesterday than concern over the federal budget, and the All Ordinaries index rose 3.7 to 694.4.

Although the budget announced no resource rent tax, capital gains or gold mining taxes, there were sweeping changes made to the country's sales tax

Oil and gas stocks advanced widely for the sixth consecutive session. Bridge rose 15 cents to A\$3.30, Crusader five cents to A\$3.75 and Santos and Claremont each added two cents to A57.98 and A\$1.42, respectively. BHP closed unchanged at A\$11.65.

#### **HONG KONG**

A FRAGILE and lacklustre day of trading took stocks slightly lower in Hong Kong. Institutional traders seemed cautious and small investors appeared to

shun the market. Some late selling brought the Hang Seng index down by 7.09 to 993.14, unable to sustain the 1,000 mark.

Hongkong and Shanghai Bank ended five cents lower at HK\$7.85 ahead of its better than expected earnings, up 8.6 per cent from the previous year to HK\$984m. Hang Seng Bank was 75 cents off at HK\$44.25.

#### SINGAPORE

A LACK of follow-through buying and scattered profit-taking in the afternoon caused shares in Singapore to shed their initial gains. The Straits Times index closed 1.08 down at 985.10.

Industrials and finances suffered small losses, while plantations, which had reached new highs for the year on Monday, also eased. Consolidated and K.L. Kepong were both four cents lower at \$\$3.04 and Highlands and Lowlands was down two cents to \$\$3.52.

#### **SOUTH AFRICA**

A FIRMER bullion price brought gains in most gold shares in Johannesburg, although stocks generally closed below the day's highs and in some cases late profit-taking led to small declines. Randfontein marked the trend among

heavyweights, closing R2.50 up at R170. while cheaper - priced gold producers' gains stretched to 25 cents, as in Blyvoors at R18,75.

#### CANADA

THE UNCERTAIN tone on Wall Street was reflected in a virtually static position on Canadian markets at midses-

A sharp advance in golds was countered hy a downturn in other sectors to leave the Toronto 300-share index unchanged at midday. Volume leader Cadillac Fairview was unchanged at C\$8%, Alcan was off CS% at CS47% and Canadian Pacific Enterprises shed CS% to

In Montreal, stocks were slightly higher, with the composite index registering a gain of just over half a point.

TOKYO

### Late shift to shipping hits the leaders

A LATE wave of profit-taking took prices lower in Tokyo yesterday after reaching record midday levels almost across the board. The initial strength was based on the Wall Street Dow Jones average recovering to above 1,200 and the yen's continued appreciation against the U.S. dollar, wrizes Shigeo Nishiwaki of Jiji Press. The Nikkei-Dow Jones average of 225

select issues shed 34.57 to 9,169.18, slipping below the 9,200 mark reached on Monday. Losses outpaced gains 344 to 314, with 187 issues unchanged. About 430m shares changed hands against 300m the previous session.

Bond prices firmed as a drop in U.S.

interest rates spurred buying.
As share prices rose in New York and the yen gained to Y241 against the dollar, investors bought hive chips and speculative issues. This pushed the ba-rometer up 20.15 to an all-time high of 9,223.90 at the close of the morning ses-

But in the afternoon, popularity shifted to Japan Line, frequently the target of speculators, causing a profit-taking surge in hlue-chip stocks.

The shipping issue gained Y13 to Y202.
Arabian Oil shot up Y600 to Y6,300 and Aoki Construction Y64 to Y630. Speculation over the development of new drugs sent Sankyo up Y31 to Y791 and Takeda Chemical Y11 to Y846. But NEC, which had been especially

popular, plunged Y50 to Y1,510 and other major hlue chips also dropped. Among them, Hitachi lost Y12 to Y881, Oki Electric Y12 to Y730 and Matsushita Electric Industrial Y20 to Y1,640.

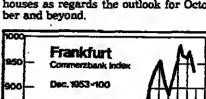
The combined margin buying balance on the Tokyo, Osaka and Nagoya exchanges as of last Saturday, announced after the close of the market, increased Y22.9bn over the preceding weekend to Y2,314.2bn, coming close to the record Y2,318.1hn of July 30. The balance will thus emerge as a market-depressing factor. The margin selling balance amounted to Y278.8bn, op Y3.8bn. .

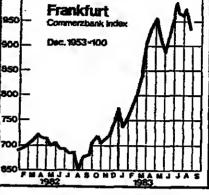
Bond prices firmed in anticipation of a

#### rise in the near future. City, regional, trust and long-term credit banks sold 7.5 per cent Government bonds with a little over nine years remaining to maturity in lots of Yibn to Y2bn. These bonds were purchased by feder-

ations of credit associations in units of With the rise in actual demand, the bond market environment is improving.

But bears still outnumber bulls among institutional investors and securities houses as regards the outlook for Octo-





**EUROPE** 

### Brazil's debt decision a dampener

BRAZIL'S decision to suspend deht payments to Paris Club member countries. which emerged at the weekend, weighed against West German, Swiss and Dutch markets yesterday after Monday's impetus, provided by U.S. interest rate optimism, had abated.

The suspension of these government-to-government debts is separate from Brazil's new deht financing programme with the International Monetary Fund, which emerged later in the day. In Frankfurt, even midsession buying

from domestic and foreign investors,

trying to take advantage of the initial

price decline, failed to reverse the down-

and profit-taking.
However, Ras, Italcementi and Franco

Tosi, all controlled hy industrialist Sig Carlo Pesenti, as well as the big chain store group La Rinascente, closed high-er against the trend on rumours that Sig Pesenti may sell a stake in Italmobi-

Quiet trading and lower prices typifi-ed trading in Stockholm and Madrid.

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A FINANCIAL TIMES SURVEY

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METALS October

The Financial Times is proposing to publish a Survey on Metals in its issue of October 11 to coincide with the London Metal Exchange Dinner. The provisional editorial synopsis is INTRODUCTION The metals market

prospects.
OUTLOOK FOR INDIVIDUAL METALS CONSUMPTION PRODUCTION

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Financial Times Wednesday August 24 1983

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Compa		nited
(Incorporated in the Republic of UNAUDITED PROVISIONAL CONSOLIDATE FOR THE YEAR ENDED 200	D FINANCIAL STA	TEMENTS
CONSOLIDATED INCOME STATEMENT	1983	1982 Rm's
Profit before taxation	Rm's 123.9 13.4	109.5 14.8
Profit after taxationOutside sharebolders' portion of profit	110.5 (0.8)	94.7 0.2
Consolidated profit	111.3	94.5
Income from investments	71.0	64.8
Profits of operating subsidiaries	19.7 20.6	22.8 6.9
Other net revenue	8.6	. 8,4
Profit attributable to ordinary shareholders	102.7	86.1
Extraordinary item	102.4	0.5
Profit attributable to ordinary abareholders		
after extraordinary item	102.7 228.7	85.6 197:9
Distributable profit	331.4 47.5	. 283.5 43.8
Interim of 130c (1982 — 130c)	9.5	9.5
Final of 520c (1982 — 470c)	38.0	34.3
	283.9	239.7
Fransfer to non-distributable reserves	15.1	11.0
Retained profit at end of year	268.8	228.7
CONSOLIDATED BALANCE SHEET	<del></del>	
		007 1
nvestments — at cost less provisions	231.8	225.1
R1,335.2m (1982 — R572.3m)) Loans	60.8	50.4
Marketable properties and mining prospects	20.5 128.1	15.4 131.1
Mining assets	71.0 26.5	59.2
Current assets (mannings)		(4.7)
Current liabilities	538.1 511.6	255.3 260.0
	541.7	476.5
Financed by: Ordinary shareholders' interest		
reference share capital and sbare premlum	363.4 80.0	307.1 80.0
Outside sharebolders' interest in subaldiaries Deferred taxation	6.6 25.8	10.2 17.2
ong-term liabilities	65.9	62.0
	541.7	476.5
Total number of ordinary shares issued	7,312,800	7,299,600
other assets less provisions and before extraordioary item	R102.0m	R86.1m
per share Ordinary dividends per sbare	1.396c 650c	1.190c 600c
Vel asset value per ordinary share at 30th June based on market value or directors' valuation		
ot investments and properties	R213	R102
NOTES:  Profit attributable to ordinary shareholders of RI		
that for the previous year.		
A final dividend of 520c bas been declared to mahare, which is 8.3 per cent higher than that for in terms of the provisions of the share incentive the share incentive the share incentive the share incentive the share the share incentive the share	ake a total for the y	ear of 650c pct
<ul> <li>In terms of the provisions of the share incentive aduring the year to senior members of the staff.</li> <li>In calculating the net asset value per share the subsidiary companies over the net book value</li> </ul>		

DIVIDEND NO. 115

A final dividend (No. 115) of 520 cents per share in the currency of the Republic of South Africa has been declared payable to bolders of ordinary shares in respect of the year ended 30th June, 1983.

Last date for registration

Registers close (dates inclusive) from

15th September, 1983

17th September, 1983

Currency conversion date (for payments from London)

23rd September, 1983

Date of payment

The dividend is declared aubject to the customary conditions which may be inspected at or obtained from the company's Johannesburg office, the office of the London Secretaries (Barnato Brothers Limited of 99, Bishopsgate, London EC2M 3XE) or the London Rearer Reception Office (40, Holborn Viaduct, London EC1P 1A1). Holders of share warrants to bearer should present Coupon No. 115 to the London Bearer Reception Office.

South African Non-Resident Shareholders' Tax at the rate of 12.92 per cent and United Kingdom Income Tax will be deducted from the dividend where applicable.

By order of the board

_	LOGNADA		DENMA			NETH	ERLAND	25		AUSTR					PAN (con	tinged)	
	CANADA (Closing Prices) Aug. Stock 23	Varn.	AU3.	33 P	rice + or	,,_,	ug. 23	Price	+ or	<u> </u>		AUST.	+ or	-I <u></u>	Aug. 23	Yeh	
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1	Walter (8) Res 25 Westcoart Trans 14 Vs	+ 3/6	Horten Kali und S	alz 2	21   +11	Fagers Mooch	Dom	370 S	+10 -18	Aug	. 25	Price	+ or	Gem	PAR .	2 53	+0.1
1	Wester (Gos) 55V2	+ 1/2	Karstsdt . Keuthof . KHD	2	62 —0.1 37 ————————————————————————————————————	Seab-8 Sandvil	kanla k 8 iFree	300	-3	Alinomo Alpe Ele Amada	otric	1,090 2,780	-	Mala Mala OCB	cape Bhd ly Banking ly Brew C Darby	9.85 6.3	-0.0
l	i Sch%	+ or	Kiosekner Krupp Linde	3	38.6 75.3 +13	2kan E 2kf B St. Kon	nskilda parbern	303 163 310	-2	A		TOE		STIBLE	barby its St'mship ints Trdg	שעוג כ	+0.0
	Goesser	+1	MAN	ann 1	20.3 -1 20 +4 40.5 -0.6	Sven Ha	ndelsbn h Match (Free)	246	193	Asahi Gi Bridgest Canon C Cabio Co Chugni	on	1,500 1,610	60				+0.0
I	Perimoser 641	+1	Mercedes Metaliges Mueuch R	eli 3	84.8 -0.7 13 20 +10					Citizen	-	680			JIH AFRI Lug. 23	Prica	i districto
ŀ	Veltscher Mag 207	-1	Prousess Rhein Woo Rosenthal	t Elect 1	71,5 +2,3 69,1 +2,1 01 -6	1	ZERLANI	D	+or	Dalei Dai Hipp Dalwa H Ebara Elsai Fanuc	ouse.	520 538	+8. +4 +20	5.00	e in the	Rand	
	BELGIUM/LUXEMBOL Aug. 23 Price	JRG + or	Schering Slemena . Thyssen	3	38.6; —4.8 70.6; +0.3		g. 25	Price Frs.		Fanue Full Bani Full Film	K	_: ··•>UU.	-60 -40	AE A Angle Angle	CLL O Am. Coal O Am. Gold	30 34	-0.1
	Fra.	+28	Varta Veba V.E.W Verein-We	î	72,2' +4,2 79.5 -1.4 20 -0.3	Brown	Boveri	1.240	-80 +10	Fujitsu		1,100	+20 -60	Barc	lays Bank.	14	+1.2
	Bang Int A Lix 4,550 8eksert B 3,185 Ciment 88 2,050	+45	Volkswage	on 25	22.6 —2,3	CLOCKE S	igy urt Corts). Suisso	2,190	+10	Green Cr Hasegaw Heiwa R	cal Est.	465 569	+13 -9 -12	Curri	invest E Finance.	4	
ļ	Cockeriii 164 Delhaize 4,300 ESE3 2,470	+3 +60 +20	Aug.	23 · Pr	ice +	Genevo	watt Geo) se chePtCts	5,500	-10	Hitachi Hitachi ( Honda House Fo	Gredit	1,200 876	+6	Drief FS G	ecra ontein eduld	64.75	-0.1 +0.5 +0.2
	Oabrique Nat 2,330	+20 -10 -33		<u> </u>	900 + 850	Jacobs	one 1:10. Suchard.	3,100 3,800	-26	tob ICI		277	-20 +2 +20	High	Fields S.A. void Steel	5.1	
۱	Hevaert	+60 +10 +13	Banca Cor Basto i IR Contrale Credito Va Fiat	resino 4,	77.4 -2.6 080 +20 748 +139	Hostie.	E UYT	4,060	20	Ito Yoka Iwatsu, JACCS		1,650 332 2,330	-70 +1.	Romi	ba Hkigs brandt	23.8	
١	Pan Hidgs 8,900	+20	Finsider	Avrie 1	50 +4.9 Lenn -1.66	Pirelli	Bri(PtCts)	6,100	-2 -100	Kalima	····	.308	+3	Rust	nics enburg Hkdge	13.76	+0.7
	Royale Beige 7,100 Soc. Gen. Bang 2,970	+33	invest italcament Montediso Divetti	46. 21	500r +400 25.4r +0.4 230 —29	Swissau Swissau	er i PtCts	423 845 312	+ĕ	Kirin Kokuvo	na	430	-3 -13 +12	3mit	Hidge rews h 'C.G.I pact Huletts	22.5 9.0 5.4	
-	Sofina	+55	Divetti Piralli Co Pire Il 2pa 2nia Visco	3, 1,	000 -78 845 -3 257 -17	Swiss V	olkabk	1,435 6 980	20 +10	komateu NaT	ES F	rices o	i +3 on this	page	ere as	uoid o	n the
ł		-60 +28	Toro Aselo do. Pref.	13,	590: +313 699: +1,048	Zurich	ns	2,37£	-23		ed. xd			KC Ex	aded pdcs scrip issue		rights:
						•	. 1		<u> </u>		Aug · I	Alec	Lug. A				-
ŀ			Ind	ices				AUSTRA		· .					High	1983	1
	NEW YORK	W JONES	-					All Ord. Motals	1/1/86) k Minia.	(1/88)	694.4 595.8	698.5 582.4	84.6 68 86,9 55	1.8	694.4 (20/8) 608,9 (4/8)	467.	8 (4/1) 8 (4/1
1	Aug Aug 23 22	Aug.	Aug Aug	Aug 15	1983 High Lo	-	ompđat n	AUSTRIA Credit A	iktien (2	(1/62)	16.52	65.12	8.03 55.	.22	59.8 (5,5)	48,48	(15/2)
	Industrials 1192.88 7203.15 I				1248.3 174. (16/8)   11/	39 1248.3	41.22	BELGIU	SE (61/1	2/80)	134_16	153.25 1	88.09 18	2.74	184,48 (1/6)	100,5	0 (4/1)
	Transport 538,83 535,58 (	533.73	533.58 536.3	531.1	589.29 434. QVIII D	24 589.29	12.23	COPORT	agen 2E	(68/1/88)	181,48	177,68	78,08 17	2.09	181.48 (23/6)	100.0	ID (8/1)
l	Unificias 131.17 131.87	130.88	139.35 130.7	129.62	132.9 118.	45 163.32	18.05	CAC CAL	namel (71	/12/62) 1/12/82)	187.8 148.5	188.0 1 144,2 1	35.0 - 164 42.7 - 16	4.5 2.2	157.5 (28/8) 145.9 (25/8)		1 (6/1) 0 (6/1)
l	Trading vol 5628 7790	8695	8228 876	7178	ch		-	GERMA FAZ-AK		12/68h	315.02	317.97 F	17 78 89	1 X9' 3	881.66 (7:7)	941 66	(Birth
l	10000 87	Au	g 12 . A	ug 12	Aug 5	(Year Ago A	worod	HONE	rzbenk(	<b>Dec</b> 1558)	967,2	949,1 9	42.2 95	2.5	585,8 (7/7)	727.0	(25/1)
	Ind div yield %	_ 4	.65	4.68	4.68	6.43			ong Ban	K (61/7/64	985,14	000,28	100	0.001.1	102.64 (21/7)	! 761.6	1 14/1)
Ì	STANDARD AND POORS	Ass	Aug Aug	Aug .	1983	Since Co	mplat's	Banca (		tal, (1972)	295,21	205.88	206.45 20	5.85; :	214.66 (21/6)	166.45	(18:1)
Ì	Aug Aug 23 22    adustrieir   183,75 185,54		Aug Aug 18 17 14.37 186.5	<del></del>	3,22 154,9	15gh 5 193.22	3.52	Tokyo H	erage (1	4/1/88)	9169.18 9 60.09	562,49 (	39.75 906 580,13 87	8.54 S	208,75 (22/8) 82,49, 122/0)		8 (26/1) L (26/1)
l	Companie 182.77 184.34	163,58	53.65 185,29	1 1	2/9   (3/1) 0.98   138.3	122/1/43	4.4	ANP-CO	RLANDS S Donor S Indus	al (1570)	141_8 110,8	145.4 116.5	42.8   141  16.4   1	5.2 i	145.4 (22/8) 116.5  22/6)		1 (4/1) 5 (4/1)
1					2/6) (3/1) Aug 3	72/6/83	(1/9/32)	HORWA Onio SE			<del></del>		213,54 21	<del></del>	214,45 (18/5)		1(4+1)
1	ind div yield %	14	.95 1.29 1	4.05	4,00 14.20	5.84 . 763		SIHGAP Straits	ORE Times (1	1966)	<del></del> ;		80,11 95		588,18 (22/8)	-:	H (6/1)
1	N.Y.S.E ALL COMMON	-  11	1.43 1	1.99	11,78 RISES AND	12,85 FALLS		SOUTH Gold (III industri	AFRICA 58) Iai (1958)			844.7 S		2.4 8.9	1089.5 (1/2) 568.7 (28/6)		(25,5) 8 (4(1)
1	Aug Aug Aug Aug 23 22 18 18	182 High	Low Is	stues traded .	Ang 23	Aug 22	Aug 18	SPAIH	SE (81/1			<u></u> ;		<u>-</u>	<del></del>		-
1	<del></del>	142.62 6/5	79.78 R	dk	512	794 725	1818 725 784 421	SWEDE		<u> </u>	117.72' (u) 1		18.88 11 186.75'150		120,62   13:7) 5 17,24-{ 12/8	<u> </u>	(4/h
1	MONTREAL.	Aug 23	Aug - Aug 22 18	Acr		1983	421	6WITZE	RLAND	(81/12/68)		<del></del> -	58,1 . 34	<del></del> ;-	517 <u>.</u> 54~{12/8 547,8 (4/8)	254.4	
	ladestrials 4	135.74 4	27 18 35.87 433.86 87.51 488.88	18 433.29 497.57	493.89(5/5) 428.99(27/7)	329.12 118.4	294/11	WIRLD Capital	In1 - (1/1	/79)		——————————————————————————————————————	78.5 17		182,1 (22/6)		8 (8/11
		450.7 2	<b>454.8</b> 2439.9	2444.8	2517.7(27/7)	1949.	14/1	8es	j Saturo a valuer	Sey Aug	20: Jap Idigas s	an Dow	3137,13 Except A	. TS!	E 679 15. Au Oudin	ery and i	Actals
					-		. •	iest nei Industri u Uutya	med be als olu usolu.	sed on a 40 Ut	1975, il)ties,	t Exclu 40 Fina	end Po ding be encials	onda. end 2	10 and 10 400 in D Transpo	ronto—1,i dustriais, ris. o	Close
	r				NA PI	7 ==									<u> </u>		<u> </u>
	1	P	lease send		NANCL of your s							-		. • : : :	· — —	-#	:
	Name Company						Pos	tion	recel	ut fi		1 IMES 1	regularly				: 22

G. H. Waddell

D. H. Stevenson

Directors

By order of the board M. J. Meyer

Secretary

Address

DIVIDEND NO. 115

Head Office and Registered Office: Consolidated Building Cor. Fox and Harrison Streets

Jobannesburg 2001 (P.O. Box 590

Johannesburg 2000) 23rd August, 1983

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These Indices a

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CAPITAL SCOOPS (207)
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Silving Hyprospecial Line Spring with 120 (550) Spring with 120 (550) Spring with 120 (550)

Company of Paper 14

#### MARKET REPORT =

Vednesday August 4

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Wactal. : 2mana. : 2manouchi var 238k. Yasuda Tire. Yasuda Tire.

SINGAPORE

Aug. 25

Lusiend Bag c.a Srorage ES

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SOUTH AFRICA

Aug. 23

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### Leading shares react sharply with index recording

Account Bealing Daies
Options
First Declara- Last Account
Bealings tions Dealings Day
Aug 15 Sept 1 Sept 2 Sept 12
Sept 15 Sept 15 Sept 25 Sept 12
Sept 15 Sept 15 Sept 26 Sept 26
Sept 19 Sept 28 Sept 30 Oct 10
Now-tens destinas may take
Diagraphy to In the general
malaise including Scuss, 114p,
and Technology For Business,
78p, which both lost around 4.
Against the trend, Gilbert House
tapproved the turn to 21p.
Adverse conditions elsewhere
in equities unsettled leading
the control of the control by an overnight TV programme touring at Government overspending and the possibility of increased personal taxation, but there was no indication then of them of the possibility of the control of the c there was no innuceant them of the events to follow.

Investment demand had stowed nuticeably over the past few trading sessions and prices of leading shares had improved in the absoce of sellers. When lines of slock came on ofer in Vesterday's and-morning trade. values retreated hurriedly as markets became nervous, Ex-planations were sought for the sales and British Industrial and General Trust was believed to have disposed of a share port-folio amounting to some £12m. But the trust was not a hulder of many of the stocks which

of many of the stocks will came on nifer.

Deaters were initially only too willing to absorb the liquidation, accepting the opportunity to close short pushtons, but many later became retuctant in the fact of continued pressure on the fact of the fact o the face of continued pressure on American favourites such as ICI, quoted ex-dividend in the U.S. yesterday, and Glazo, iterated trading yesterday occelerated the fall here and the FT industrial Ordinary share index slid lower to close 16.4 down at 724.0—its biggest one-day fall for nearly two years. At Munday's aft-time high, the 30-share index was showing a rese of 142 points, nearly 24 per cent, on its 1983 tow recorded in January.

The sudden change in sentiment cost a pail over many

ment east a pall over many speculative issues and none piore so than Irish Sea oil hopefuls. Further suggestions of forced selling after Monday's relapse accompanied fresh offer-

Adverse conditions elsewhere in equities unsettled leading Breweries which clused with moderate losses despite another stack trade. Grand Metropolitan fell 7 to 338p, while Allied-Lyons gave up 5 to 149p. Elsewhere, comment on the merger terms clipped 3 from Amalgamused Distilted Products, 162p, and 5 from Arsylt Foods, 123p.

Greasional selling was evident in the Building sector. Interim results at the top end of market estimates failed to.

of market estimates failed to benefit Taylor Woodrow, which eased 5 to 544p. Streeters, a good olariest recently, reacted 4 to 50p. London Briek gave up 2 to 83p awaiting today's interim results, but film Circle held at 450p pending tamacrow's 450p pending tomorrow's announcement of the half-yearly figures. Tarmac resisted the trend with a rise of 6 to 428p as did Trent Holdings, up 5 more

#### Fraser dull late

Leading Stores remained subdued and falls were generally
dispropritionate to the actual
tevel of business. HabitatMathereare closed 6 lower at
2941, while falls of 5 were
common to Burien, 329p, and
British Rome. 210p. House of
Fraser, a rising market of late
reflecting revived speculative
activity, reacted 14 to 232p, in
after-hours' tradiog following
the announcement of an official
investigation into the group. investigation into the group.

fuls. Further suggestions of forced selling after Monday's relapse accompanied fresh offerings and the weakness later spilled over into leading stocks. Few sectors escaped the setback and the tone after-hours was especially unsettled.

Gill-edged securitles remained aloof to the equity market's 200p, gave up Monday's Presstroubles. Business was inhibited by considerations connected with

alsof to the equity market's 200p, gave up Monday's Presstroubles. Business was inhibited 
by considerations connected with 
Monday's Government funding 
vis the £500m Issue of two fears of further Government 
tranches of existing stocks, and 
all maturities eased a fraction 
from a firm occoing.

Standard disappoints

Standard Chartered took a 
turn for the worse amoog overseas banks, falling 22 to 370p, 
after 468p, following disappointing interim results. Hongkong 
and Shanghai, on the other band, figures due to morrow, shed 6 at 
hardened 2 to 71p in response 
to the satisfactory first-half 
figures. Eisewhere, selected 
figures. Eisewhere, selected 
figures. Eisewhere, buying ahead of tomorrow's 
buying ahead of tomorrow's 
constitution of 7.

Electricals were featured by 
weakness in defence stocks on 
fears of further Government 
for the factor of two learns of further Government 
to 610p and GEC 4 to 210p. 
Thorn EMI dipped 12 to 595p 
and BICC reltinquished 8 at 
217p: the latter's interim results 
are schedoled for September 7. 
Electro-Protective closed 10 
dwn at 173p following profittaking in the wake of the 
linerim results. BSR, first-half 
figures. Eisewhere, selected 
figures. Eisewhere, selected 
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buying ahead of tomorrow's 
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figures. Elsewhere, selected mucricumt banks found support, inving ahead of tomorrow's fich supprise bid from Wignores, find support, like supprise bid from Wignores, for the support to 32p in Hure Purchases. The imajor clearers differed lower; and Life Insurances succumbed to profit-taking. GRE, the next major Composite to report interim results next Wednesday, eased a penny to interim results next Wednesday. Elsewhere, Smith with enterim results next Wednesday, and this satisfactory interim results. So, declined 3 and 6 for wignores, for the subsport and nut on 5 to 55p.

Phoenix, 35p, declined 3 and 6 for wignores, for the subsport and nut on 5 to 55p. Loyds Brokers, Minet came on offer and shed 6 to 117p, while the first of the Unlisted Securities Market for next Wednesday, eased 4 to the Unlisted Securities Market for next Wednesday, eased 4 to the Unlisted Securities Market for next Wednesday, eased 4 to the Unlisted Securities Market for next Wednesday, eased 4 to the limit of the support of the Unlisted Securities Market for next Wednesday, eased 4 to the support of the Unlisted Securities Market for next Wednesday, eased 4 to the support of the Unlisted Securities Market for next Wednesday, eased 4 to the support of the support

FINANCIAL TIMES STOCK INDICES

biggest fall for nearly two years

	Aug.	84g.	Aug. 19	Aug.	Aug.	Aug. 16	Test
Government Secs	70.67	79,62	79,61	79,63	79-78	29,78	78.62
Fixed Interest	82,62	82,63	48.45	89,52	82.46	A2,28	27,95
)adustrial Ord	724.0	740,4	756,7	758,0	756,0	732,0	671,0
Gold Mines	658.2	8,126	660.0	666,8	667,7	668.3	312.5
Ord. Div. Yleld		4,54	4,27	4,34	4,56	4.56	5,20
Kernings, Vid.x (full)	_	9.19	9.85	9.15	9,20	9.01	11,55
F/E Ratio (net) (")		13,54	15,46	18,55	13,51	13.49	10.59
Total bargains		-					
Equity turnover £m.				236,02			
Equity bargains				10,476			
Shares traded imil				152.9			
10 sm 737.					1 pm 7	29.7.	
Reals 100 Cour			3 Om				

Ooks Mines 12/10/58, 6£ Activity 1874. Latest Index 01-246 8026

Nri - 12.48.

}	1983		Since Co	mplistin	1 1	Aug.	Aug.
}	High	Low	High	Low	·		78
Govt. Secs	65.60 (11/8)	77.00	127,4	40.10	Oint Edged Bargains Equities	144.0.	145,
Fixed Int	84,74 (11/6)	79.03	160,4 (26/11/47)	60.63	Bargains	110.5 326.3	115.3 816.6
Ind. Ord	740 A	698,4 (12/1)	740.0		Say Avrga	144,1	150.2
Gold Mines.	784.7 (15/1)	681.5 (88/5)	734.7	43.6 (28)15:TI)	Equities Bargains Value	126.7. 400.1	152.1

166p, while receot apeculative favourite Stabers A, eased fi to 213p on sporadic profit-taking. Manufacturers also lacked support, Cadbury Schwopper, 103p. Northern, 168p and RHM, 69, all shedding around 3.

### Miscellaneous Industrial leaders

Miscellaneous industrial leaders retreated quite abarpiy on profitaking. Glaxo, o recent U.S. favourite, dropped 47 to 810p. after 800p, white Beecham lost 7to 345p and BTR gave up 10 to 542p. Boots, 5t 177p, gave back 5 of the recent sharp advance which followed U.S. 6pproval for over-the-counter sales of its pain killing drug Ibuprofen. Reckitt and Colman closed 7 easier st 448; the injerim figures are scheduled for September 6. Secondary Issues were featured by a jump of 22 to 92p in Copydex following lise strong inferim profits recovery, resumption of dividend payments and the Board's confident remarks concerning second-bolf prospects. B.B. & E.A. reflected the chetrinan's optimistic AGM statement with a rise of 8 to 88p. with a rise of 8 to 88p.

Cosalt altracted persistent speculative buying and closed 54 to the good at 47p, after 48p. A rising market of late following

Among Motor Distributors, Lex Service met scattered selling and, at 353p, gave up 15 of the previous day's gain of 21. Elsewhere, prodictaking clipped a few peoce from BL, 65p, but further consideration of the interim results lifted coach-builders Coteman Milne 5 to 62p.

John Waddington staged a late rally and closed 6 to the good at 244p, while unwelcome suitors British Printing and Communication rose 4 to 110p; news of the final acceptances is expected abority.

Convertible 1899, issued to Ordinary and existing Convertible holders by way of rights, begso life at £3 premium. RISES AND FALLS

Australians firmer

Australian issues raced ahead Australian issues raced ahead once the budget proposals were known to London yesterday. In response to the absence of had news for the resources industries from this source, leading stocks recorded good rises across the board, and the second-liners strengthened in sympathy.

Western Mining closed & to

western Mining closed 8 to the good at 298p, after touching 300p, while Peko-Walkend were finally a similar amount up 91 446p, after 436p. CRA and EZ industries both gained 5 to the same figure of 350p, the tatter beiped by excellent full year profits, while Gold Mines of Kalgorille also geined 5, in 630p. Platinums took the limelight among South African shares, with Rustenburg jumping 36 to a high for the year of 816p, and limpata rising 29, also at a peak of 846p, both in response to the firmer plailoum price.

In Diamonds, De Beers rose 10 to 690p on early morning

10 to 690p on early morning optimism about the forthcoming half-year results, slumned to 650p optimism about the forthcoming half-year results, slumned to 650p after the disappointing figures were announced but recovered to close at 665p for a net decline of 15.

45.6 Equities:

45.6 Equities:

45.6 Equities:

45.1 150.2 developtog among the heavyweights and stronger South
African demzod emerging after
accurated day's sales from this
source.

Among Motor Distributors,
Among Motor Distributors,
Lex Service met scottered selling.

46.1 150.2 developtog among the heavyweights and stronger South
African demzod emerging after
accurate day's sales from this
general fame.

African demzod emerging after
accurate developtog among the heavyweights and stronger South
General Fames
General Fam

while Hartebeestioniesh with finally a puint up at £56]. Gains of around \( \) were common to southwark £43. President Steyn, £371, Drienfonteln, £241, Kinross, £173 and £RPM £13.

The Gold Mines index picked up \( \) polots more at £683.2.

South African Financials followed the Golds higher, with "Amgold" \( \) firmer 21 £823 and \( \) Gold Fields of Sonth Africa up \( \) at £88. "Johnnies" were sleady at £90 ahead of the full-year results.

American Financials followed King Sonth Africa up \( \) at £88. "Johnnies" were sleady at £90 ahead of the full-year results.

American Weeks American Weeks American to South American South South

at 244p, while unwelcome smiors Brilish Printing and Communication rose 4 to 110p; news of the final acceptances is expected shortly.

Properties plotted an irregular course in moderate frading. Teps Estates eased 3 to 57p, while Apex closed 4 lower at 96p, the latter following the results.

Shippings became irregular. P & O Deterred, 217p, lost most of Monday's rise of 4, while profit-taking chipped a few pence from Millerd Docks, 68p. In contrast, scaliered support was evident for James Fisher, 9 better at 115p, and for Lyle, 8 up to record a two-day gain of 13 at 160p.

Trusts followed the easier trend in equities. Felming American Investment 7 per ceot Ordinary and existing Convert-

### YESTERDAY

,		Rises	Fales	Same	
	British Funds	17	57	27	
	Corpns. Dom. and	_		_	
ì	Foreign Bonds	6	B	63	
i	Industrials	158	374	825	4
٠	Financial and Prop.	62	154	300	
٠	Oils	20	87	45	,
,	Plantations	7		12	•
	Martes	71	20	70	
	Others	35	100	57	
	Yotals	370	768	1,402	-
					1
•	OPTIONS				
	First Last	Las	t :	For	;

Deal. Declars, Settle-

ings ings tion ment
Aug 22 Sept 9 Nov 24 Dec 5
Sept 12 Sept 23 Dec 8 Dec 19 Sept 26 Oct 7 Dec 22 Jan 3 For rate indications see end of

LONDON TRADED OPTIONS

Share Information Service
Money was given for the call
in BET. Riley Leisure, Tour
Kemsley and Millbourn, Yelver-210p and Sun (UE) Royalty came back 15 to 235p.

Accuracy and Milbourn, Yelverton, Amstrad, Basts, Beecham, Edenspring, Bambers, First National Finance, Carless Capel, Matter. Mettoy, Jackson Exploration, Polly Peck, London and Liverpool, Boots, RTZ and Jefferson Smurfitt. A put was done in Turner and Newall, but no doubles were reported.

#### NEW HIGHS AND LOWS FOR 1983

NEW HIGHS (63) AMERICANS (2) BANKS IZI BUILDINGS (2) Trent Higgs,

South African Golds became a Bristol Foat Papers (1) with good two-way business

Bridge (): DIL ISI Genoa M. Woext Austral Huning Petrolasm OVERSEAS TRADERS [1]

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French Kier BillDIMCS (2)
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Barnet Campage Spring Grows

Barest Spring Spring Spring Spring Spring Spring (1) **MONDAY'S** 

### **ACTIVE STOCKS**

Based on hergeins recorded in Stock Exchange Close Changes Close Change Stock Changes Close Change Close Change Close Change Close Change Chan BP 11 Cons Gd Fields 11 BSR 8

### **ACTIVE STOCKS**

356 Eginion Oil & Gas..... Electro-Protective ..... 

#### RECENT ISSUES EQUITIES

40 ZD-0

**RECENT ISSUES** 

1	The state of the s	55	. 5 5 a	15	88	. Stock	5 0		<u>\$</u> \$	50	誃.	
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3	11716 11716 375	F.P.	12.8 12.8 58	. 24 .	180 30 350	Cent 2.R. 10p -Giberth useinvslop Henderson Admin	186 21 345	-1 :	65.0 65.0	5.1 2.8	2.5 I	).  9
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ı	100	F.P.	13.9	85 90	78 ·	ĕTech, for 8us, 10p., ŤThermai Scientific.	78 88	~4	64.8 62.3	6,0	7.7 I	۱0.
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#### FIXED INTEREST STOCKS

---- EG -- - 1002

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	· F.U.	12.0	112	117.5	MANGARSHAPP ID! CAU DAILE A 1154 M		_
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44	F.P.	33 9	103	100	Westland 125/2 0eb 2008 Vorks & Lanes Inv 13/2 Doo 2003	·2031	: ~:

#### "RIGHTS" OFFERS

	price		Pat	ato	High	Low	Stock	Closing	; <b>†</b>
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۱	33	F.P.	_	8:9	. 38	34	Assoc. British Engig 12sp :	35	
ı	310	F.P.	1 -	2.0	377	325	Beecham	347	-3
ı	53 .	F.P.	1.8	16.9	. 115	84	.Brengreen 10p	105	-3
1	48	Nil	: -	-	1,T 00w	i: ppm	Cambrian & Gen. 6se	-:-pom	\
ı	48	Nil		-	- appm	24ppm	Cap. 7-p	Zi ppm	· 1;
ŀ	25	Hit	_	44.0	: (bbm	25bm	Chemberlain Phipps 10p	5pon:	-1
I	175	F.D.	_	14.0	301	. 59	Crowther J.J	30	
ı		F.P.		0.9	197	185	Dixons Cro 10p	187	+2
ı		F.P.	100	25 <sub>1</sub> 8 30'9			Emess Lighting	240	
ŀ		F.P.	178	9:9	170	160	Fidelity Radio 10p	165	1
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ı	75	F.D.	. 0.0			рπ	*First Talisman Inv. 20p.	- pn	
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ľ	1rx 1.19	F.P.	27/7	26.8	: 120	112		125	1
ı	571	E D	21/1		11212		London & Northern	120	
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ı	80 :	Nil			20PM	Anno	Hesco Invs	82pm	al
ŀ	10	NII		_	Zepm	2pm	Sheraton Secs. 10p	20pm	n i
I	95	ĤĬ	. =	14:10	45pm	3500	Steinberg 10p.	201	
ļ	175	F.O.	. =	80.0	240	220	Unitesh IOp.	35 pm 220	
ì	100	NII	_			10200	United Parcels 10p	115pm	
1					Town Chair	TANKIII.	without threats tobit	T TODI	,

Renuncietron dele usually issi dey for dealing line of stamp duty, à Figures based on grospectus estimates. d'Gividend rate paid o gayable on gent of cepital; cover besed on dividend en Juli copital. Assumed dividend and yield. D'Forcast dividend cover based on provious year's semings. Filinydend and yield based on prospectus or other official estimates for 1983-84. Q Gloss, it Cover allows for conversion of sheres not now ranking for dividend or sanking only for restricted dividends. P Figures or report awasted. Practing orice, p Pence unloss otherwise indicated. Is issued by vary of capitalisation. Si Re-introduced. States as a "rights," Issued by way of capitalisation. Si Re-introduced. States in connection with reorganisation mergur of takequyer, illy introduction. Issued to former greference holders. Alloument letters for fully-paid). P Provisional or partly-paid allottient longers, with warrants.

### **United Computer**

Mr Tom Bustett, chairman of United Computer and Techoology Holdings, is hopeful that the current year will, on balaoce, prove to be another successful one for the company. It would be uorealistic, he says, to assume that the company, being venture capital orientated, will not from time to time take an interest in a company in which the apparent potential is not realised.

However, giveo the company's policy of restricting the size of account the analytical experience available to it, he hopes the current year will be successful. The group invests in computer and other high technology companies. Its profit for the year ended March 31 1983 rose from f38,138 to £49,161, and the dividend was stepped up to 1.1p net per share, against 0.8p.

# 

The Financial Times World Commodity Report combines the unrivalled accuracy and authority of the FT - with its worldwide news-gathering

resources and highly developed research facilities -

with the exclusivity, depth-of-detail and

conciseness of a specialist newsletter. Each week, World Commodity Report (available in separate editions for metals and soft commodities) provides a broad perspective of the whole commodity trading field - analysing the influences affecting longer-term futures and reporting vital facts, figures and market movements. Specific coverage is provided on:

Commodity agreements International negotiations

Crop and production statistics Market controls

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### FT-ACTUARIES SHARE INDICES

These Indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

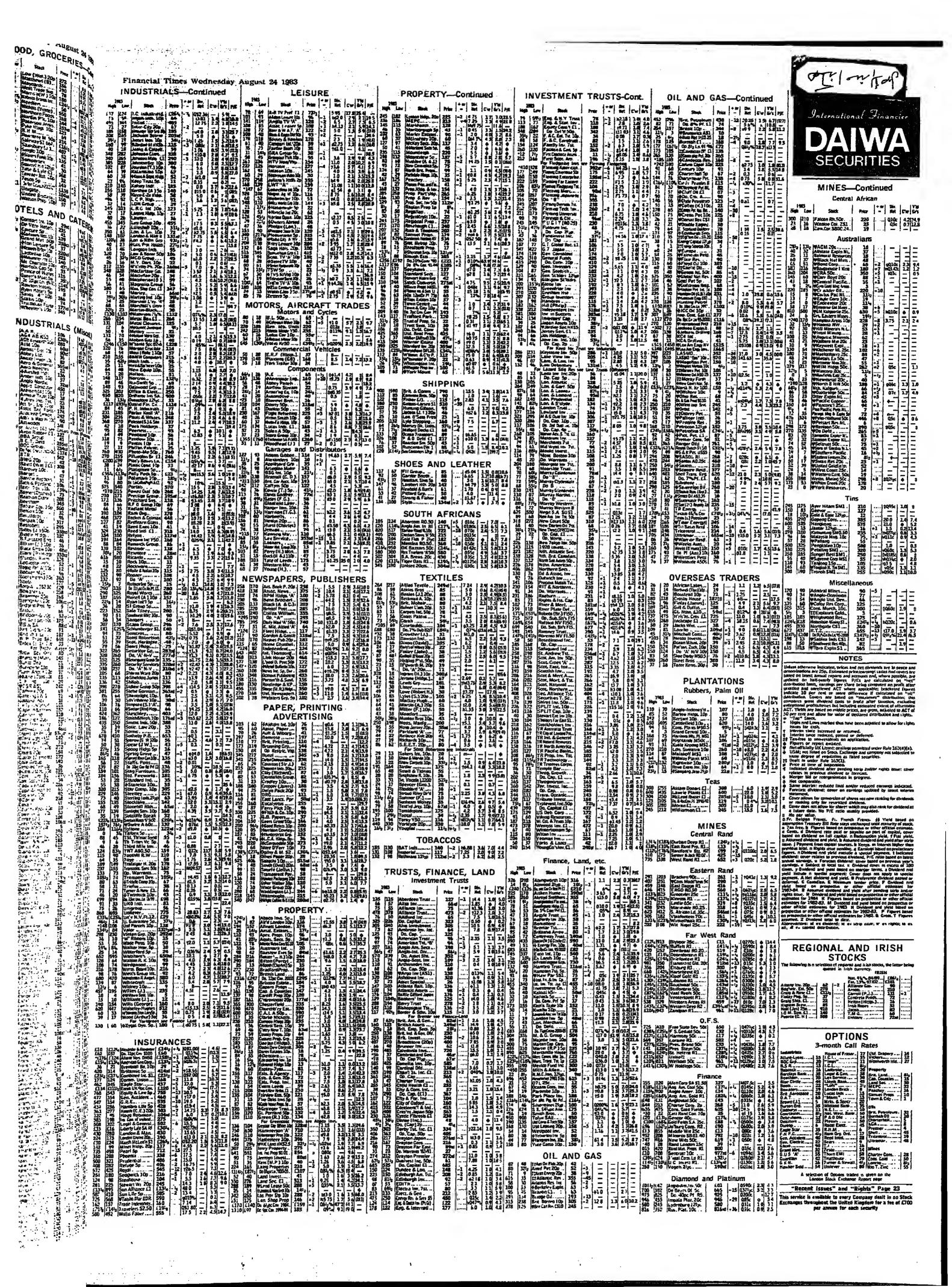
_	EQUITY GROUPS	1	Tues /	Aug 2	3 198	3	Mon Aug 22	Fri Aug 19	Thur Aug 18	Wed Aug 17	Year ago (approx)
	& SUB-SECTIONS			Est. Earnings	Gross Div.	Est. P/E					
Fig	stres in parentheses show number of stocks per section	Index No.	Day's Change	Yield %	YENG % (ACT ≈ 30%)	Ratio	tedex No.	Index No.	Index No.	index No.	lodes No.
7	CAPITAL G000S (207)	472.76	-15	8,67	3.70	14.84	480.03	478.88	481.42	486.76	410.50 345.75
2	Building Materials (23)	438.22	-20	10.40	4.57	12.02	438,25 745,44	406.83 741.22	744.34	740.70	644.03
3	Contracting, Construction (30),	737.64		7.57	2.16	16.95	1792.12		1302.65	1810.30	1432.57
4	Electricals (351	477.51	-13	24.08	5.97	8.83	43.8	461.81	483.71	671.07	472.82
5	Engineering, Contractors (10)	204.23	-10	11.61	5.47	10.69	206.20	284.45	288.24	206.63	207.68
6	Metals and Metal Forming (30)	183.85	-11	10.07	6.38	12.07	185.97	194.82	18536	186.98	152.64
8	Motors (18)	120.13	-1.9		4.77	_	122.50	119.85	120.21	119,51	20.54
10	Other Industrial Materials (17)	545.62	-14	5.33	4.03	24.75	953.45	553.14	553.42	551.72	366,98
21	CONSUMER GROUP (199)	439.71	-1.3	19.26	4.57	11.94	446,20	442.99	444,17	40.10	333.06
22	Brewers and Distillers (23)	463.98	-1.6	12.08	4,90	10.33	47L32	447.01	465.55	440.82	375.11
25	Food Manufacturing (22)	338.34	-8.8	13,29	5.84	8.79	341.16	340.34	931.33	929.11	711.19
26	Food Retailing (13)	925.90	-1.0	7.16	2.66	18.07	935.31 837.67	133.25 201.26	EZ1.35	625.10	512.00
27	Health and Household Products (8)	790.56	-3.3 -0.6	5.60 8.69	2.71 4.64	14.80	547.90	583.86	584.77	585.07	423.73
29	Leisure (22)	584.36 966.67	+04	8.48	3.37	14.41	93.23	960.76	965.57	965.63	528.51
35	Newspapers, Publishing (14)	194.56	-0.9	1143	5.19	10.62	196.36	195.20	197.54	194.53	138.10
33	Packaging and Paper (7.4)	397.65	-13	7.94	3.75	17.06	403.06	399.82	398.94	394.86	299.85
34	Stores (48)	218.71	-0.5	1141	525	10.46	219.74	Z17.00	21937	212.73	144.21
35	Tobaccos (3)	413.94	-2.0	23.92	7.53	4.68	472.28	407.12	41432	419.26	343.96
36 39	Other Consumer (30)	423.68	-	5.70	.3,49	_	423.69	421.25	429.84	426.76	264.14
37 41	OTHER SROUPS (77)	391.92	-1.3	8.02	4.35	15.78	397.68	396.45	397.37	397.97	257.45
42	Chemicals (15)	535.12	-2.6	8.40	4.72	15.61	349.33	546.54	553.15	551,37	333.86
44	Office Fourment (6)	224.65	-0.2	8.37	4.48	15.26	134.77	114.50	112.35	119.02	99.77
45	Shipping and Transport (15)	720.96	-0.2	7.36	5.64	18.99	722.40	716.45	723.61	713.62	507.67
46	Miscellaneous (43)	537.17	-0.0	7.79	3.74	15.43	341.97	540 60	547.52	23941	345
49	INDUSTRIAL GROUP (485)	447.55	-1.5	9.58	414	13.31	454.25	452 60	453.93	652.92	348.80
51	Oils 1151	1029,84	-2.4	10.73	5.65	13.35	1055.25	1056.52	1865.45	1060.74	678.16
99	500 SHARE INDEX	496.43	-16	9.62	4.41	12.92	504.72	502.78	505 31	503.98	375.83
罚	FINANCIAL SROUP (122)	339.44	-0.8	_	5.60	_	342.09	340.36	34163	340.36	251.66
62	Barder(6)	352.93	-0.4	24.24	7.22	4.51	354.44	352.48	355.33	355.57	257.73
63	Discount Houses (8)	294.00	+0.3	<b>!</b> —	9.21	<b>–</b> :	292.99	290.82	207.96	289.52	
65	tosurance (Life) (9)	490.59	-1.0	l — i	4.44		495.46	495.67	498.12	491.39	287.25
56	Legisance (Composite) (10)	235.14	-1.5	<b>!</b> — .	6.61		253.69	Z37.97	238.49	249,49	11,1,25 528,05
67	Januaren Brokers (7)	559.99	-2.0	11.93	5.30	11.59	570.25	566.29	561.96	561.47	
68	Merchant Banks (13)	207.53	+0.5		4.57		204.59	204.23	201.57	199.05	143.27
9	Bennerty (53)	462.33	+0.1	6.03	4.03	22.30	461.75	451.64	45337	457.09	428.45
70	Other Furancial (16)	245.59	-2.9	30.68	5.45	11:39	258.58	2明62	25166	253,62	164.79
	Investment Trusts (109)	452.22	-0.5		3.92	_	454.36	453.58	454.05	450,37	301.88
71	Mining Finance (4)	324.93	-2.7	5.77	4.50	22.25	330.44	327.02	325.25	324.92	223.39
17	Overseas Traders (15)	503.83	-6.1	7.15	7.42	21.43	504.53	505.99	502.13	<b>特.</b> 特	367.24
91		459.07			4,61	_	465.67	463.82	465.74	464.37	343.56
8	814.5H&DF   MUEX (/3U)	1000			717.2						

	CALLS		PUTS		CALLS PUTS
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330	105 -	{ =   ½	-	<b>!</b> =	120 51 8 11 10 13 15
350 300	75 84 50 60 80 40	58 4	10	14	180   2   414   -   18   20   -
420 460	10 18	46 14 28 40	22 48	50 64	LASMO (*356)
Cons. Goldfielde (	6741			• • •	280 07 82 - 6 5 - 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5
550	P197 -135 1	107 27	1 17	]	1 350   27   45   57   50   35   40
500 550	40 60	77   22 82   58	17 34 64	83 48 72	390   15   58   42   50   55   80
Courtaulds (*103		VA   V	• • •		Lonrho (*109)
58 75	. 40 1 _ 1	-17	2	1 = 1	90 32 26 - 11 21 - 100 100 110 18 81 3 6 7
56 90	30 34 21 26	- 8	3	6	100 14 18 81 3 6 7 110 5 10's 14 7 8 11
98	13 17	_ 1	5	5	
100	5 719	10 11	13	15	P. & D.   **217)
Commercial Union					1 150   60   -   -   2   -   -
180	3 41 I — I	- 1: 38 3	" =	=	180 41 47 7 3 4 7 200 25 83 40 5 10 14 220 12 90 87 15 19 88
145 160	31 34 16 20	86 5	13	16	220   12   90   87   15   19   88
180	4 10	18 32	36	28	Racaj (*477; 460   40   60   75   18   23   28
D.E.C. 1"210;	1 38 1 1	1			500 22 40 85 40 45 50
190 200 200	38 22 30 20	35 5	38	10 84	550 10 82 - 77 80 -
240 250	4 10	25 18 14 34	20 35 54	35	
	1111 4	_ 1 34	1 54	<u></u>	R.T.Z. (*654) 633  129  145   -   3   6   - 550  112  130   -   5   8   -
300	20   81	= 1.6	1 .5	1.7	6 502   87   105     n   14
350 350 390	<u>•</u> 6   15	38 10 35 25 11 54	13	15 52 60	563 67 105 — n 14 5 600 74 90 102 13 27 58 650 40 53 65 32 45 57
	3 1 5 1	11   54	67	60	650 74 90 102 13 27 32 650 40 53 65 32 45 57 700 18 28 37 58 70 80
200 200 120 (-903f	168 1	- 1 1		'	Man Davis Addition
390 400	158 — 108 184	=   1	] =	=	Vani Reefs (*\$131) 90 100 100 100 100 100 100 100
460 600	58 85 40 64	_ 1 2	3 7 15	20	
060	15   38	36 34	40 84	60 90	120 18 23 27 5 101 13 130 131 17 21 0 161 17
Land Securities (*3	3 11 1	16 80	1 04	90	140   8   11   - 15   20   -
250 250	36 e - e	=1=	1 -	- 1	. CALLS DUTS
200	36 48 20 30	49 3 35 5	12 30	7 15	Option   Sept Dec.   Mar.   Sept. Dec.   Mar.
330	5 1 13	20   85	1 30	38	I
• 80	36   42 19   20	48 [ 3	1 4	, <u>5</u> ]	Seecham   345  35   45   0   11   16   350   365   7   25   30   18   67   32
200 820	19 20	32 5 17 15	18	12	365 7 25 30 18 67 32 385 8 8 15 45 50 55
Shall Transport 1º6	22.		<del></del>		415 1 4 - 75 78 -
46Q 500	106 176 126 140	- 2 OB 5	1 3	1 = 1	Guest Koen (*182)
050	78   86	08 6	111	15	185 142 151 5 - 1 1 1 2 1 -
600 650	36 48 10 84	62 18 34 44	20 52	34 58	160  -  -   57  -  -   0
	CALLS		PUTO		175 180 - 18 - 5 2 - 170 - 22 - 17
Option	Nov. Feb.	May Nov.	Fcb.	Мау	200 812 8 14 22 25 29
Remises Bank #47			·ı!	_	
450 .		45   15	1 20	25	Avg. 23 Total Contracts 1,661 Calls 1,018 Puts 643
000- 650	17 34 6 15	45 30 20 72	40 27	47 80	<ul> <li>Underlying security price.</li> </ul>

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Financial Times Wednesday August 24 1983

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AMERICAN STOCK EXCHANGE CLOSING PRICES

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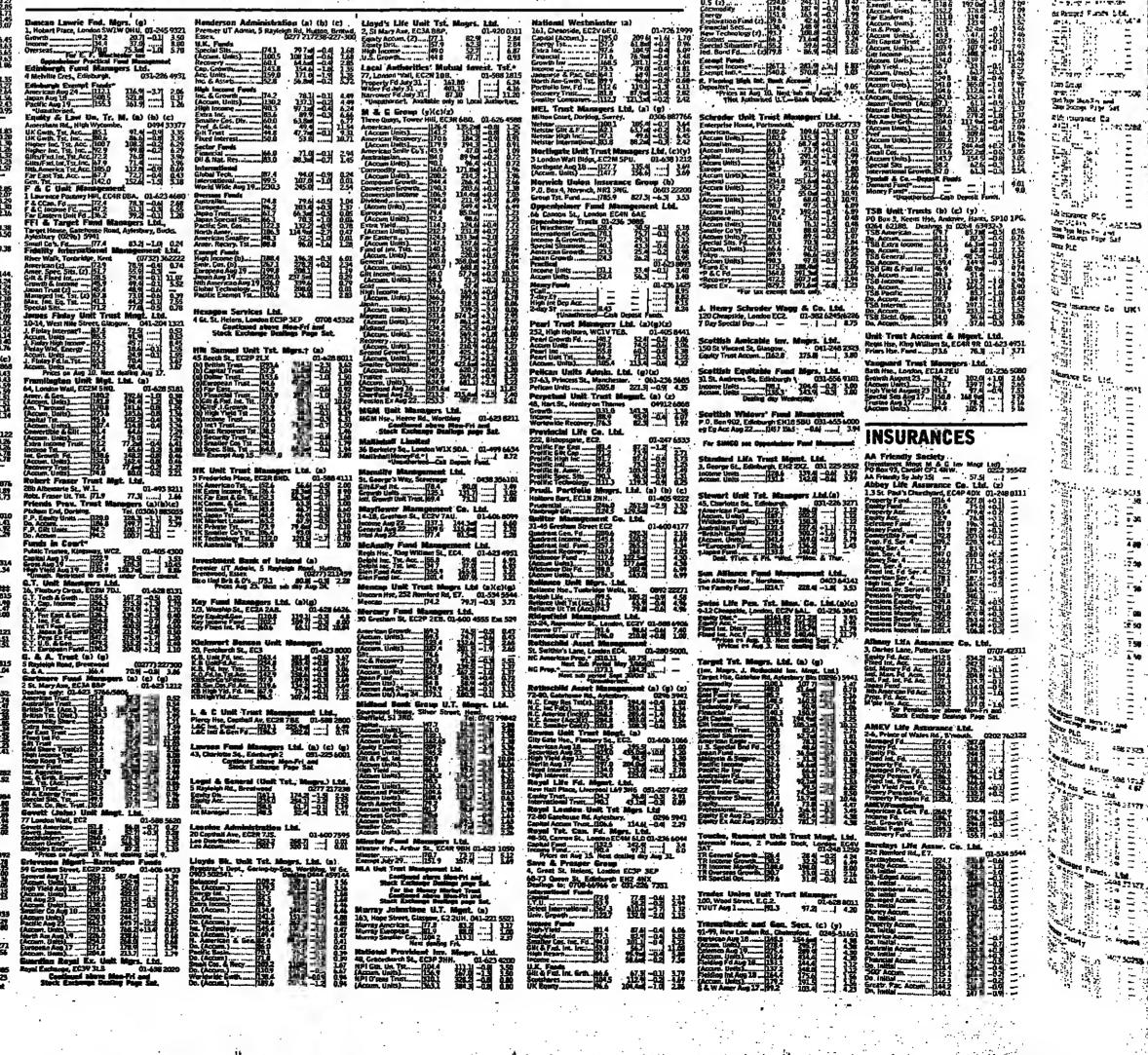
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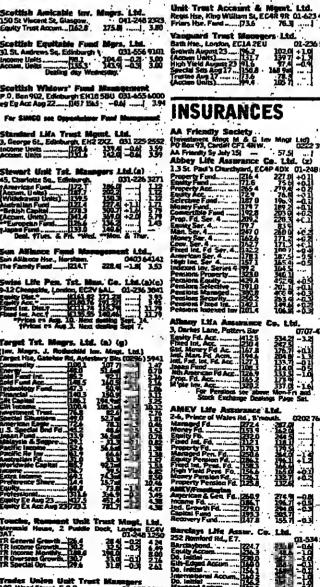
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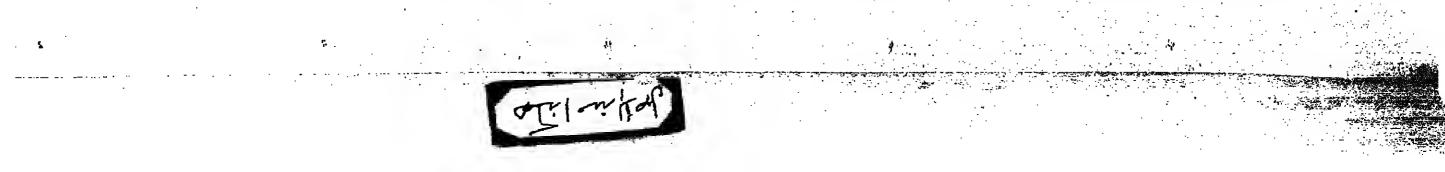
Britannia Gp. of Unit Trusts Ltd. (a)(c)(g) Salisbury House, 31, Firstbury C= cus, Landon EC2 01-038 04760779 or 01-586 2777 Britanna Vicepout 01-673 0048 UK Specialist Funds UNIT TRUSTS | Section | Control | Fundament | Fundamen

FT UNIT TRUST INFORMATION SERVICE











SOARING vegetable oil prices on the world market will mean higher prices for a wide range of consumer products, the Notionel Edible Oil Distributors' Associatioo (Neode) warned yesterday.

In the last few weeks, oils and fats prices had risen by about 60 per cent because of the drought in the U.S., the major world supplier, the association said. Products affected would range

from soups and margarine to gateaux and fish end chips, it

"Large stocks which in re-cent times have heen carried over from harvest to harvest are being rapidly used up," ex-plained Mr Bob Boad, the Neoda chairmen. "The narrow line between surplus end shortege is

heing eroded."
Mr Boad said the new aituation illustrated the absurdity of the EEC Commission's proposal to tax vegetable oil consumption.

Oil World, the Hamburgbased marazine, has forecast that a serious shortage of oils and fats is likely to develop by the second quarter of next year, as world output of 14 major oils and fats to 1983-84 is likely to rise by only 800,000 tonnes at best to 53.42m tonnes. The rise mey not even reach

g00,000 tonnes as the weather has remained hot and dry in U.S. soyabeen ereas, which could cut the U.S. crop further, it said in its latest issue. Opening 1983-84 stocks of oils and fats will be unusually small et slightly under 6m tonnes, or 11.3 per cent of usege, down 400,000 tonnes on 1982-83 and the lowest stocks-to-usage retio since 1976, the magazine sald. Total supplies will be up less than 390,000 tonnes at just

PRICE CHANGES =

fn tonnes Aug. 93 + or Month unless stated 1885 | — aga othorwise

Aluminium ......£1050 ......£950 Frce Mkt.......... \$1800; 1830 + 15 \$1555;585

LONDON OIL

SPOT PRICES

ORUGE OIL-FOB :6 per barrell

Change Latest |+ or --

### 'Golden crop' boosts Malaysian mini-boom

Chris Sherwell looks at palm oil gains

MALAYSIAN authorities can barely conceal their delight these days of the upturn in world commodity prices. The country is a key exporter of rubber and timber and e growing exporter of oil and gas. The timing of the West's economic recovery is belping to calm some of the officials' worst fears about Government worst fears about Government

But the greatest excitement But the greatest excitement is over palm oil. Prices have shot up from around M\$800 (£227.27) in June to touch M\$1,200 one day last week. Ninety per cent of the world'a exports of palm oil are now the state of the reckooed to come from Melaysia, and the crop's performance and prospects heva already earned it the label of Malaysia's "golden crop." Palm oil stands out in the

current miniboom less because of world economic recovery than as a result of bad weather elsewhere. The soyabean crop in the U.S. is likely to be sharply lower than last year's record levels as a result of the recent

Philippines early this year and a volcanic eruption in Indon- (2.8m tonnes exported) ia for existing subsidies on petrol

esla are meanwhile believed likely to curtail this year's production of coconut oil, and thue overall evailability of oils and fats. Malaysia baa itself forecast a reduced production of pelm oll this year. Signs of increased customer demand on the part of importers are buttressing this

price recovery. Maiaysla in particular ia optimistic ebout the Indian market, where imports of vegetable oil are expected to increase substantially this year. The Soviet Union The excitement over palm oil resched a peak a month ago when, on July 21, a record 51,850 tonnes (in 2,074 lots of the three-year-old Kuala Lumpur Commodities Exchange. By contrast, average daily turnover for the first six months of the year was 422 lots.

Pelm oll output in Malaysia

the year was 422 lots.

Pelm oil output in Malaysia give rise to petrol diesel's give rise to petrol diesel's is thus set on an upward path.

Philippines early this year and Output of 3.5m tonnes in 1982 lems. Moreover, after allowing the problem of 3.5m tonnes in 1982 lems.

expected to climb to 4.3m diesel, palm diesel could be tonnes in 1985 and 6.5m tonnes economically produced in Malaysia when the crude palm

But these projections are oil price based on a judgment that the tonne. oil paim tree, through con-tinuing research and develop-ment in Malaysia, will live up to its other label—as the tree of a bundred uses.

The most intriguing of there

ia in an untypical and un-expected area—as a substitute for diesel. Mr Paul Leong, Malayaia'a Minister of Primary Industries, speeking three mombs ego at Kuala Lumpur'a Palm Oll Research Institute, speaking three this year. The Soviet Union is also said to be a consistent buver of Malaysian palm oil. The excitement over palm oil and its derivatives of palm oil and its derivatives of palm oil and its derivatives.

oil price was below M\$897 per

On top of this, Mr Leong re-ported that effluent for palm oll mills could be barnessed as a source of electricity by being converted to methane gas which could run power plants.
With 2.5 tonnes of effluent for
every tonne of palm oil produced, enough emerged last year to generate \$ per cent of Malaysia's electricity output, according to the Minister.

These novel benefits of palm oil production reinforce the versatility of a commodity which already has multiple which already has mutched applications. Its edible uses include the manufacture of margarine, cooking and frying oil, shortening, non-dairy creamers and lee creem. It is also used in the manufacture of

applications in prospect too: The tree's trunk and the waste from the oil-producing bunches of fruit as compost for mushor trust as compost for mushroom cultivation and manure,
the trunk, fibre and shell for
production of paper, the effluent
as animal feed, and, from the
leaves as well as the oil,
vitamin E—said by its promoters
to combat agains

to combat ageing. For Maleysis, all this is music to the ears. Pelm oil cultivation beats other oil-bearing crops in productivity, yield and efficiency, and Malaysis excels among the world's producers.

But there is also a note of continuous Malaysis worried

caution. Malayaia is worried about the attitudes of bodies such as the World Bank, which takes the view that the world would be better off if Malaysia trimmed its oil palm ambitions and concentrated more on

Malaysia rejects this view, saying it supports U.S. soys-bean producers and other less efficient palm oil producers at its own expense. Certainly it is also used in the manufacture of corp, detergent, greases, ubricants, candles and emulsifiers.

Mr Leong sees other unusual rubber.

emulsifiers.

### Friends of **Earth** seek winds of change

By Barbara Dalzeli

THE GOVERNMENT should take swift action to ban strawburning, says a report out today. Friends of the Earth con-

demns strawbnrning as un-justifiably wasteful. It estimates that the 5-6m tonnes sent up in smake every year has a potential value of £500m and produces enough energy to replace 56 per cent of UK nuclear out-

"Straw burning typines the worst of British agriculture: limitless subsidies for overproduction, over-reliance on chemicals and the jettisoning of workers in favour of machines and intensive use of energy," says the report. "It destroys any credibility that farmers have as repre-

senting an industry which cares for the countryside." The Ministry of Agriculture and the National Farmers Union (NFU) draw up a code

of practice on strawburning each year The Ministry dnes not prosecute those who breach the code but argues that local anthorities can take action against farmers who contra-veue bye-laws. It believes the

answer is to educate farmers The NFU has no immediate plans to tighten the code. It points ont that the possibility of a £1,000 maximum fine now exists and it hopes this will encourage more councils to

Friends of the Earth dismisses this as so much chaff. It says not all councils have bye-laws regarding careless buring, and that only a few councils have raised the fine maximum. Many did not aven know it was possible to do so.

## Silver rises and rection highest level since end of May

SILVER PRICES rose ir SILVER PRICES rose in London yesterday to the highest level since the end of May. The bullion spot price was raised by 20,20p to 831.70p a troy ounce at the morning fixing and remained at the higher level. during the afternoon. The firm trend was attributed ...

The firm trend was attributed to the rise in gold and a strong advance in New York reflecting the weakness of the dollar and, bellef that the rise in U.S. Industrial demand for silver is also reported to be improving.

On the London Meta in Exchange yesterday cash vin free for £552.5 a tonne Casting the first silver of £552.5 a tonne Casting the first silver find the firs

fish marketing group, says it will stop processing and selling whale meat in 1986.

 INDIA is inviting tenders for up to 30 kilos of platinum and 1,000 tonnes of high-grade zinc. for delivery in August and September respectively.

• HUNGARY expects 6 record FRENCIES sunflower seed harvest of 638,000 tonnes.

• BRAZIL is offering increased discounts on coffee sales to countries not belonging to the International Coffee Organisa

. BAST GERMANY said in reached its target for grains production but did not release

yield-per-hectare figure.

THE IVORY Coast may delay the start of the annual coffee campaign to ensure that beans are properly dried or Growers who pick unripe beans this year will have their cropining SPOT Al

### Pik corn programme repeat unlikely

reports.

He said a Pik programme for he needed corn would not be needed net at market-clearing levels 90 because of the drought and per cent of the time."

bigher-than-expected perticipa-tion io this year's acreage reduction programmes. efforts to freeze target prices
The Administration will aod lower dairy price suports. examine a whole host of options to aid farmers ouffering from the drought. There is "a sizeable amount of money that could be loaned out for

Coconut (Phill \$1025z +80 \$960

Aug. 23 + or Month

disaster areas."

Groundnut ..... 1 Linseed Crude t Paim Malayan (8640v

r mmodities

GAS OIL FUTURES

LONDON FUTURES

Month Yest'rdey's +or 8usiness Dona

S U.S. -0.25 257.25.56.00 957.25 -0.25 257.25.56.00 950.50 59.75 -0.50 250.50 59.75 -0.50 250.50 59.75 -0.75 257.25.55,70 -0.50 250.250 257.25.55,75 -0.55 257.25.55,75 -0.55 257.25 257.00 +0.25 257.00 +0.25 255.25 257.00 +0.25 255.25 257.00 -1.50 255.25 257.00 -1.756 (1.332) lole of 100

Other

WASHINGTON—U.S. Agriattempt to lower the U.S. corn culture Secretary John Block loan rate for the 1984 crop 6a says he does not expect the much as is legally possible.

Government to offer a payment-in-kind (Pik) programme for such a high level that they entries who did not participate.

Mr Block cited private forecasts that food prices in 1984 will rise 6 per cent, with 1.5 per cent of the rise due to adverse outside production in the U.S.

We should Mr Block said the new longand other countries, we should work towerd keeping this safety

Those farmers who particinsted in the Pik programme which involves giving producers Mr Block also said be will

Mr Block said the new longterm grain agreement with the Soviet Uoion will give the U.S. about 40 per ceot of the Soviet He acknowledged, that the import market, up from the low stymied by Congress in its of 20 per cent in receot years, but well below the peak of 70 per cent before the 1980 grain

embargo. In Chicago, grains and soya-bean futures closed locked limit which involves giving producers surplus Government - owned grain in return for leaving land idle — this year will not be hurt as badly by the drought as

**BRITISH COMMODITY MARKETS** 

### Cocoa continues to slide

BY OUR COMMODITIES STAFF COCOA PRICES on the London futures market resumed their downward trend yesterday although most traders remained extremely cantious in their assessments of the West African

crop.
The December position, which steadied a little on Monday following last week's £70 fall, ended the day £16 down at £1,511.50 a tonne.

No clear picture has emerged from the reports of analysts returning from on-the-spot sur-veys in the Ivory Coast. Most

Following an initial opening of Clo
lower, Robustse relliad in quiet conditions to end the morning session about
unchanged, reperts Oresel Surnham
Lambert, Further gaino were eatablished
adry in the attempon, but gradually
prices eased under commission house

Wheat opened 60o higher on a strong Chicago merket end temsined in a narrow range despite prefit-taking. Agriey saw a good agread trade end was quietly steady, reports Muirpaçe.

GRAINS

year highs at the beginning of this month. But values bave now retreated more than £100 from the peak levels. The market is also becoming extremely nervous about the political and economic situation in Gbana where fuel and spares shortages coupled with road

crops following severe drought and busb fires earlier this year

were largely responsible for lifting future prices to four-

empering crop transporting. Some dealers thought the London market showed con-siderable strength yesterday in limiting the fall.

£ per tonno

deterioration are seriously

#### confiscated. AMERICAN MARKETS

LIVERPOOL—Spot and abipment sales emounted to 227 tonnes. Steady buying persisted, with most users keeping well in touch, with current rates. Activity was maintained in specialist qualities grown in the Middle East, while interest was again displayed in North American styles.

8usiness done—Wheet: Sept 123,20-3,00, Nov 125,75-5,50, Jan 129,15-8,75, Mar 132,10-1,70, May 135,20-4,85, July 138,45-8,25, Seles: 580 lots of 100 onnes, Barleyr Sapt 114,45-4,25, Nov 117,80-7,55, Jen 121,35-1,20, Mar 124,45-WOOL FUTURES 4.25. May 128.76-6.65. Salse: 314 lots of 100 ronnes.
LONGON GRAINS—Wheet: U.S. Oork Northern Spring No 1 14 per cent Sept 135.50, 0c1 136.75, Nov 138.50 itenshipment sest coast sellers. English teed fob Oct/Oec 129; milling Oct/Oec 131 sellers asst coast. Malze: Franch Sept and Oct 143.50 transhipment seat coast. sellers. Barley: English feed fob Sopt 117.50. Oct/Oec 122 seat coast sellers. Reat unquoted.
NGCA—Locational ex-ferm apot prices: Feed borley: S. Ezat 109.50, W. Mids 710.40, N. East 108.50. The UK monetary confficient for the wook beginning Mondey August 29 (based on HGCA calculations using five days exchange rates) is expected to remain unchanged. SYDNEY GREASY WOOL,—Close (In order: buyer, seller, business), Australian cants per kg, Oct 564.0, 565.0, 566.0-564.0, Dec 577.0, 578.0, 597.0, 5770.0, Mer 595.0, 596.0, 597.0, 597.0, 597.0, 598.0, 597.0, 598.0, 597.0, 598.0, 607.5, 608.0-607.5; July 621.0, 625.0, 622.0-620.0; Oct 514.0, 614.5, 615.0-614.5; Dec 519.0, 821.0, 622.0-621.0, Sdies: 96.

INDICES FINANCIAL TIMES Aug.22 Aug. 18 M'th ago Y'ar ago 992,65 988,45 987,20 852,48 (Base: July 1 1952=100] REUTERS Aug. 23 Aug. 22 M'th ago Yar ago

1011.e 1895.1 1698.0 1000.0 (Base: September 18 1931=100) Aug. 22 Aug. 10'M'th ago !Y'ar ago 1097.0 1087.1 1071.1 1010.4 7.0 1067.1 107.1. (December 31 1931-100]

DOW JONES Dow | Aug. - Aug. Month Year Jones - 32 | 19 | ago | Ago apot - 145.10 141.01.127.40 Fut rs. - 150.86;151.34,150.22 (Sees: December 31 1974-100)

MEAT/FISH

MEAT COMMISSION—Average (attock orices et rapresentative markets. GB—Catità 92.87p per kg liw (+0.09), GB—Sheeo 115.40p per kg estdew (+3.76), GB—Piga 66.25p per kg liw (+0.60).
SMITHFIELD—Pence per pound. Beel —Scotch killed sidas 77.0 to 82.0; English lomoustrare 53.5 to 91.0, 10.0 for 67.0, madium 50.0 to 56.0, basey 45.0 to 50.0; imperated: New Zealand Pt 58.0 to 50.0; imperated: New Zealand Pt 58.0 to 50.0; pork—English orider 100 lbs 38.0 to 50.0, 100-120 lbs 46.0 to 48.0, 120-160 lbs 41.0 to 47.0.
PORM—English orider 100 lbs 38.0 to 50.0, 100-120 lbs 41.0 to 47.0.
ORIMISBY FISH—Supply good, demand good. Prices et ship's side (unprocessed) per stone; shall cod 24.00-25.00, codlings (2.50-23.50; large baddock 23.70-24.20, medium 25.50-25.50; large baddock 23.70-24.20, medium 25.50-25.50; large baddock 23.70-24.20, medium 25.00-24.00; lamon sole large; C9.00, [amsil) (23.00-24.00; lamon sole large; C9.00, [amsil) (23.00-24.00; lamon sole large; C9.00, [amsil) (23.00-24.00; lamon sole large; C9.00, [amsil) (23.00-25.00; orekish 21.80-25.80; sithe £1.05-100.
COVENT GARDEN—Prices for the bulk of produce, in stering per package accord where otherwise stated. Imported produce; 7embors—Outspen: Carton 16.00-15.00; Urugusyen: Carton 16.00-15.00; Urugusyen: Carton 15.50-18.0; Sonilsh: 6-kg 5.00-5.00; Lallan: Certon 12.00-13.00. Grapefruits—Outspen: Carton 14.00-15.00; Urugusyen: Carton 15.50-18.0; Sonilsh: 6-kg 5.00-5.00; Senny Smith 14.00-14.50; Spenish: Goldan Delictous (new cres) 0.00-220, Grapny Smith 14.00-14.50; Spenish: Goldan Delictous (new cres) 0.00-220, Grapny Smith 14.00-14.50; Spenish: Goldan Delictous (new cres) 0.00-220, Grapny Smith 14.00-14.50; Spenish: Index Jersey Mac per pound 0 toyot 0.10-0 11, Williams 0.15-0.19; Italian: Pere pound Regins 0.25-0.30; Greek: Sultane 0.25-0.30; Greek: Sultane 0.25-0.30; Greek: Sultane 0.25-0.30;

NEW YORK COCOA 10. torines; S/tonnes

ILVER 5,000 troy oz.	Conts/trov oz	**
Close High ug 1267.2 1283.0 ept 1269.0 1290.0 ct 1289.6 1	1264.0 1268.33GE 1263.0 1271.0	CROSS I
6C 1303.5 1325.0	1297 0 1205 67	F15 {t
erch 1338.5 1362.0 294.1 1362.3 1385.0 4y 1386.1 1412.0	1332.0 1338.1 1 1356.0 1361.1	2 154
Ay 1386.1 1412.0 Apt 1409.9 1449.0 AC 1445.4 1450.0	1389.0 1384 1410.0 1407.53 1443.0 1441.5	: : : :
UGAR WORLD "13"	112,000mb. ==	: 925
Close Nigh opt 10.35 10.95	Low Prot. 10.35 10.74	
ct 10.83 11.40 in 11.85 72.15 lerch 12.37 12.75	10.61 17.2 11.90 12.10 12.35 12.6	5.27
lay 12.71 73.00 lay 12.94 13.20	12.68 12.8	1 241

**GOLD MARKETS** Gold rose \$1 from Monday's close in the London builion market yesterday to finish at \$429 from \$421-\$424. In Luxembourg gold was fixed \$425-\$426. The metal opened at \$426.20 per ounce. \$425-\$426.20 per ounce. \$4241-\$425.

In Frankfurt the 123-kilo bar was fixed at DM 35,940 per kilo (\$426.96 per ounce) and closed at \$426.84264 against \$4211422 on Monday. Mooday.

In Paris the 121-kito bar was fixed at FFr 107,800 per kilo 18425.71 per ounce] in the after-noon compared with FFr 107,800 (\$425.831 in the moroing and FFr 107,700 (\$421.67) on Monday

Tumover: 596 (403) lota ol 100 troy Aug 23 Gold Bullion (fine Ounce)

Gold Coins Aug 23 Rrugrind | \$4331<sub>2</sub>.4301<sub>4</sub> | \$12865<sub>3</sub>.9371<sub>4</sub>1 | \$King 5ov | \$102.1031<sub>6</sub> | \$1266<sub>16</sub>.671<sub>2</sub> | \$1267<sub>16</sub> | \$118.110 | \$118.110 | \$1751<sub>4</sub>.751<sub>4</sub>; | \$1761<sub>4</sub> | \$1751<sub>4</sub>.751<sub>4</sub>; | \$1761<sub>4</sub> | \$1761<sub>4</sub> | \$1751<sub>4</sub>.751<sub>4</sub>; | \$1761<sub>4</sub> |

#### **EUROPEAN MARKETS**

1800. Oec 1847/1855, Mer 1869/1890. May 1885 bid, July 1980 bid, Osc 1925 bid, Osc 1935 bid. Bugar—(FFr ger tonns): Oct 2330/2332. Oec 2478/2477, Mer 2569/2670, May 2735/2745, Aug 2815/2828, Oct 2875/2886. 2875/2895.

LONDOH NEW ZEALAND CROSSRREDS—Close (in order: buyer, seller, bueness). New Zealand cents per kg. Oct 425, 430, 426. Oct 425, 428, 430. 426. Seller, 436, 438. May 445, 447, 445, Aug 456, 458, 458445; Oct 459, 451, 465, 0ct 453, 461, 455; Jan 465, 470, nll. 2ales: 44.

BASE METALS

BASE METALS generally had a good day on the London Metal Exchange, in spite of the renewed strength of aterling. Copper moved shead to a high of £1,095. In the afternoon Ringe, closing the late Kerb Juan below the top at £1,093. Zinc gethered strength throughout the day to close at £568, Jspanese buying boosted Aluminium to £1,112, and Nickel ross ateadily to £3,320. Tin and Lead both had quiet days, with the former closing at the support level of £8,535 and the latter at £270.5. Grains
Barley Fut. Nov.8117.75 + 0.85 £115.40
Maizo £143.50w £141.540
Wheat Fut.Hov £106.55 + 0.56 £120.00
Nog Hard Wint \$ 2 COPPER

COPPER Official - Unofficial -t High Grde £ £ £ 94. 94.50. Cathodes, Thrate months £1,053. Kerb: Higher Grade: Thrate months £1,063. O. Attempon: Higher Grade: Thrate months £1,094. 94.50. 95. 93. 92. 91.50, 92. Cathodes: Thrate months £1,094. 84.50. 95. 93. 92. 91.50, 92. Cathodes: Thrate months £1,092. 81.50. 92. 92.50. 92. 93. 93.50. Turnovers 23,000 tonnes. An opening \$2.00 lower encouraged a brief flurry of activity before prices settled into a nerrow range. The market moved up through the alternoon to reach the highe near the close, reports Premier Men.

TIN Official - Unofficial -t High Grde £ £ £ 8420-40 13,6 Cash...... 8430-3 -22,5 8420-40 13,6 3 monthe 8545-5 -10 8540-50 -6,5 Settlem't 84-40 -29 Morning: Stendard: Cash £8,425. Three months £8.545, 40. Kerb; dard: Three months £8.545, 40. Kerb; dard: Three months £8.540, 35, noon: Standard: Ceah £3,420, mannths £8,530, 40. 35, Kerb; Star Three mooths £8,635. Turmover: transes.

ZINC

Zino-Morning: Cash £548. Three months £561, 62. 82.50, 63. 83.5, 64. Karb: Three months £565, 58. 67. 67.50, 68. 68.50, 68. 67.50, 67.50, 67.50. Afternoon: Three months £567.50, 68. 68.50, 69. 68. Karb: Three months £568.50, 68. Turnover: 1.575 tonnes.

**ALUMINIUM** 

Alid. 6 +0.5

Alaminium—Moming: Three months
C1.104.00, 05, 06.50, 08.50, 08, 07,
07.50, 07, 06.00, Karb: Three months
C1.106.50, 07, 07.00, 07, Alternoon:
Three months C1.107, 08, 07.50, 08,
06, 08.50, 10, 10.50, 11, 11.50, 12,
12.50, 13, 12. Karb: Three months
C1.112, 11.50, 11, 10, 11, 12, 11.50,
11, 12, 12.50, 13, 12.60, Turnovar:
18.100 tonnes.

**NICKEL** 

a.m. + or p.m. + or Official --! Unofficial! --!

LME—Tumousr 88 (1611 lots of 10.000 ouncee, Morning: Three months 854.5, 54.0, 53.5, 53.0, 53.5, Kerb: three months 854.0, 53.5, Aftermoon: Three months 851.0, 51.5, 52.0, Kerb: three months 851.0, 52.0, 53.0,

SILVER

reckel — Morning: Three months £3,300, 3,295, 3,300, 04. Afternoon: Three months £3.315, 12, 11, 12, 15, Turnover: 2,718 tonnes.

SILVER Bullion + or LM.E. + or per fixing - Unofficit 12month 913,80p +208.
Silver eas fixed 20,20p en ounce higher (or soot delivery in the London bullion market yesterday et 831,70p.
U.S. equivalents of the Ring levels were: soot \$12,767, up 38,7c; three-month \$13,089, up 39,7c; eix-month \$13,414, up 40,2c; and 12-month \$14,077, up 39 9c. The metel opened at 829-8310 (\$12,74-\$12,78] and closed at 831-833p (\$92,71-\$12,75).

### **METALS**

All prices es supplied by Metal

Bulletin.

ANTIMONY—Europeen tree merket, 89.5 per cent, S per tonne, in ware-knouse 1.690-1.940.

61SAUTH — European iree markat, min 95.99 per cent, S per peund, tonne lots in werehouse 1.50-1.57.

CADMIUM—European iree merket, min 08.95 per cent, 3 per pound, in warehouse, ingote 0.86-0.90 atticks 0.88-0.93.

COSALT—European iree merket, 99.5 per cent, S per peund, in werehouse 5.78-5.90.

MERCURY—European iree merket, 99.5 per cent, S per peund, in werehouse 250-238.

MOLYBDENUM—European iree merket, min 99.99 oer cent, S per lisek, in warehouse 250-238.

MOLYBDENUM—European iree merket, min 99.5 oer cent, S per peund, in werehouse 4.05-4.15.

SELENIUM—European iree merket, min 99.5 oer cent, S per peund, in warehouse 4.10-4.75.

TUNOSTEN ORE—European iree merket, min 68 oer cent V.01; other sources, S par oound V.01; cil 73-78.

VANADTUM—European iree merket, min 68 oer cent V.01; other sources, S par oound V.01; cil 2.00-2.05.

Producer liet once for selected matale as recorded in Metal Sullatin.

ALUMIHIUM—World: urrigin ingots Alcan, min 99.5 per cent, S per tonne, cil Hong Keng end Rotterdam 1,750.

BIZMITH—UK: MCP-Peko, 99.99 per cent, S per oound, tonne lots, exwarehouse 2.30.

COSALT—World, Inco, melting grade. The decline continued on tollow-through selling from Moodey atth support being found sround the 65-67 down mark, reports Coley and Harper. Nov..... 171.00 | 177.30 | 176.98.79.9 | Feb..... 202.50 | 211.00 | 218.00-00.0 | April ...| 244.50 | 252.50 | 250.00-42.8 | May ...| 254.00 | 650.60 | 258.80-5-0 | Nov.... 63.50 | 83.50 | Tumover: 1,040 | (1.470) | lots of 40

warehouse 2.30.

COSALT—World, Zsire: Sozecom, Sper peund 12.50.

NICKEL—World, Inco, melting grade, Sper pound, cil Far Eest and America, deliuered rest of world 3.20.

URAHILMS—Nuexco sychange uelue, Sper pound Ur0. 24.00.

VANADIUM—Highveld fused min 98 per cent V.01. Sper pound V.0., cil 2.30.

ZIHC—GOS producer basis, Sper tonne 850.

COCOA Alter opening £75 lower futures railed slightly to the levels of the ora-vious close before closing on a week final call. Physicals were ressonably active both properties and properties and properties are ressonably properties.

COFFEE COFFEE Yest'day's + or 

The physical market opened unchanged, extracted little interest throughout the day closing uncertain. Laws and Pear reported a September lob price tor Ho 1 R82 in Kuela Lumour ol 257.0 (285.5) cents e kg and 2MR 20 29.5 (228.5). 

POTATOES

RUBBER

SOYABEAN MEAL CIORE & ACCURATION OF TORNOON OF

SUGAR .

LONDON DAILY PRICE—Rew super £172-50 (£168 00) e tonns for Aug-Segt-Oct shopment. White super C162-00 [£167-50)
Prices limmed over the morning but collaged during the afternoon on fund and chartes selling, reports C, Czernikow.

NEW YORK, August 23 declined eherply on arbitrage sellingusts talls irreded in an erretio ong louidetion prempted ancial instrurages; while led to technical stop sellingusts and instrurages; while led to technical stop sellingusts from each of the weakness of the day selling each of the day of the market reaction. Soyabeans and the market up the dayly limit while stocks to be reported to the market reaction. Soyabeans and the market up the dayly limit while stocks to be reported to the market reaction. Soyabeans and the market up the dayly limit while stocks to be reported to the market reaction. Soyabeans and the market up the dayly limit while stocks to be reported to the market story as dearer, inquirage bosses of the dayly limit while. NEW YORK, August 23
Practious matals ireded in an erratio
manner with long louidelion prempted
by declining financial instruments; while
the selling pressure was not excessive
it was aufficient to keep the market
on the delansive receive for the day.
Copper was featureless after a strong
opening with srbitroge celling egalnet
starling resulting in nominal geins
going into the close. Heating oil
prices were slightly higher in anocipetion of slight stocks to be reported
efter the closs. Sugar prices, came
under heavy selling pressure and No.4 Yestday's Previous Business Con-tract close close cone Oct. .... 178,75 181,56 185,58-78,08 Occ. .... 187,50-88,50 189,09 09,50,191,08 87,09 Mar. ... 199,25 208,40 192,76-88,76 May. ... 198,50-08,75 204,49 04,73 296,00-05,40 May. 2149 2147 2205
July 2175 2210 2275 2218
Sept 2210 2210 2220
Dec 2195 2223 2196 2233
COFFEE C 37,000ib, cents/lb

Close High Low Prev
Sept 132.23 132.25 130.85 131.04
Dec 137.33 131.70 130.60 130.77
Merch 128.20 128.95 128.30 128.35
May 125.75 126.25 125.75 126.15
July 124.50 124.50 124.00 124.15
Sept 122.13
Dec 120.50 — 120.00 COPPER 25,000lb. pents/lb

COTTON 50.000 lbs, cents/lb. Dec March May July Oct 81.30 81.96 81.00 77.20 GOLD 100 troy oz, \$/troy oz -100 troy oz. 5/2 Close High 425:2 427.5 426.3 427.5 426.3 437. 436.8 441.0 444.4 448.7 462.3 456.7 460.3 466.7 473.2 477.0 485.5 487.1 486.2 503.2 503.2 504.1 486.0

| Letest | High | Low | 83.19 | 85.20 | 84.20 | 84.80 | 85.25 | 86.95 | 87.05 | 86.50 | 87.05 | 87.98 | 87.20 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 | 87.60 High 446.0

NEATING OIL

french: Alphonse 0.40 Peaches—Italian: Lerge trays 2.50-3.20; Franch: 1 80-3.00. Nectarines—Italian: Lerge trays 3.50-4 50. Pluma—Italian: Lerge trays 3.50-4 50. Pluma—Italian: Per pound Olents 0.13-0.17, 3tanley 0.14-0 16, Blue 0.20-0.25, Gages—Spanish: Tray 2.00-2.40; French: Lerge Irays 4.00-4.00.

English Produce: Apples—per lb, Bramley new eason 0.13-0.15. Orensdare 0.08-0.09, Olscovery 0.20-0.28, Miller 0.16-0.12. Strawberries—a 0.20-0.09.09, Olscovery 0.20-0.28, Miller 0.16-0.12. Strawberries—a 0.08-0.09, Olscovery 0.20-0.28, Miller 0.16-0.12. Strawberries—a 0.08-0.09, Olscovery 0.20-0.25, Miller 0.16-0.13. Strawberries—berries—4 on gunnats 9.60-0.10 according to quality. Blackberries—8 on 0.20-0.25, Victorias 0.30. New-Potntoes—5.00-5.00. Stushrooms—oer lb, ocen 0.60-0.70, closed 0.80-1.00. Lettuce—per tray reund 0.90-1.00. Cos 1.60-1.80, Wabb's 2.20-2.40, Icaberg, per dosen 7.00-8 00. Onlons—per 55 lb 3.00-4.00. Cabasge—per 25 lb Primo 3.40-3.80. Oraeris—28 lb, Kent 2.20-2.50. Carrots oar lb 25/28 lb nov 2.00-2.60, Cauliouwsbers—1.50-2.00. Tomatoes—Hothduse 12 lb 1.00-1.20. Celery=4 00-5 00 Beetroots—28 lb 3.80-4.00. Turnips—28 lb 3.50. Stick Bearn—oer lb 0.25-0.35. Swedps—28 lb 3.00-3.50. Lests—per lb 0.30-0.35. Lests—per lb 0.30-0.35.

Oct 58.07 58.15 57.17

Dec 58.00 68.65 68.02

Feb 60.85 61.00 60.55

April 63.10 63.25 62.75

June 64.80 64.85 64.35

Aug 63.95 84.10 63.50

LIVE HOGS 30.000b. cents/ib Oct 44.67 4
Dec 44.67 4
Feb 48.75 4
April 49.17 4
June 54.55 5
July 54.50 5
Aug 53.70 5
Oct 53.00 5
Dec 53.30 5

MAIZE 5.000 bu cents/56 fb-busele High 44.20 44.70 48.00 49.50 55.25 54.50 54.10 53.30 461.0 468.4 477.7 486.3 494.9 503.9 512.6 Close High 366.2 372.0 371.4 375.4 380.0 384.0 384.0 388.0 381.4 386.4 383.0 356.0 321.4 328.0 Low 365.9 382.2 370.0 365.4 372.6 373.4 374.1 375.2 378.4 374.1 375.2 389.0 376.4 351.0 351.6 320.0 323.0 351.6 320.0 323.0 376.4 376.6 37 42.000 U.S. gallons: cents/U.C. gallons PORK BELLIES 38.00016. Low 64.57 63.60 64.02 65.35 66.05 63.70 Close High L
Aug 54.57 8

Close High 897.4 897.4 814.0 214.0 926.4 926.4 934.4 934.4 930.4 932.4 924.0 924.0 893.0 812.0 739.0 755.0 891.0 908.0 892.0 925.0 926.0 912.0 880.0 790.0 722.0 Sept 805.0 812.0 722.0 725.0 7 AOYABEAN OIL 50,000 lbs. cents/lb

Pres 402.4 4

olden 50 f 38

By John Edward.

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#### FOREIGN EXCHANGES =

### Dollar recovers early losses

firm pole, recovering its early losses, as traders began to suspect that the U.S. currency still has some upward movement temained at the incoming the attention to the attention to the incoming 
markens in in

The dollar closed onchanged at DM 2.6323 against the D-mark, and rose to FFr 7.9275 from FFr 7.9150 against the French franc; to SwFrs 2.1410 from SwFrs 2.14 in terms of the Swiss franc, and to Y243.30 from Y242.95 against the Japanese yen. • HUNGARY

OTHER CURRENCIES

THE POUND SPOT AND FORWARD

22 spried Close One month n.a. months
1.5235-1.5396 1.5236-1.5236 0.04-0.95 dis -0.51 0.15-0.204s
1.8770-1.9940 1.8915-1.8235 0.04-0.95 dis -0.51 0.15-0.204s
1.8770-1.9940 1.8915-1.8235 0.06-0.79-0.06 dis 0.06 0.17-0.37 pm
1.90 2.5-0.45 0.5-0.65 0.05 10.5-0.06 0.06 0.70-0.79 pm
1.2745-1.2750 1.2745-1.2755 10.00 pm par 0.74 18-8 pm
0.74 18-8 pm
0.74 18-8 pm
0.74 18-8 pm
0.74 18-8 pm
0.74 18-8 pm
0.74 18-8 pm
0.74 18-8 pm
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STERLING — Trading range running, and improved to cover against the dellar without against the dellar in 1983 is FFr 12.160 from FFr 12.10, and any sign of intervention by the 1.6245 to 1.4540. Jejy average to Y372 from Y371.50, but foll Buodeshank. The dellar was 1.5278. Trade-weighted index slightly to DM 4.0250 from fixed at DM 2.6169 in Frankfurt, 85.7 against 85.8 at the one 1518 at the notations. the long sage over the MI money close, and 30.1 six months ago. supply may not be over, even if another mious figure is another of late, despite the vanuousced on Friday.

There were no new factors absence of the Bank of England in International central bank international central bank international intended to stop the

DEUTSCHEMARK — Trading range against the dollar in 1983 is 2,7315 to 2,5320. July average 2,5895, Trade-weighled index 126.4 against 128.4 six mooths ago, Uouli the recent slowdown in U.S. Mt money supply growth the dollar was at its highest level for nearly 10 years against the for nearly 10 years against the D-mark, reflection the large differential between U.S. and German laterest rates. The improved MI figure has played a greater part in restraining the dottar than the earlier intervention by the Brodesbank and tion by the Bundesbank and other central banks.

The D-mark cootinued to re-

define the doltar and against Cournectal currencies and the yea.

DOLLAR—Trade-weighted index (Bank of England) 127.2 against 19.8 six months ago. The latest ound was also unchanged at figures on money supply have given rise to cautious optimism, and hatte the dollar's advance. It had greviously elimbed to new records on fears of higher the dollar closed on changed at DM 2.6325 against the D-marind rose to FF 7.8275

To 7.9150 against?

The dollar closed on changed at DM 2.6325 against the D-marind rose to FF 7.8275

To 7.9150 against?

The dollar closed on changed at DM 2.6325 against the D-marind rose to FF 7.8275

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The dollar closed on changed at DM 2.6325 against the D-marind rose to FF 7.8275

To 7.9150 against?

The dollar closed on changed at DM 2.6325 against the D-marind rose to FF 7.8275

To 7.9150 against? Changes are for ECU, shamfore positive change denotes a week currency, Adjustment calculated by Financial Times.

Note Rates

68.2 agalost 74.1 six months ago, hTe frans is quite firm agoing its EMS partners, but stability within the system has been helped by the weakoess of the D-mark against the dollar. Any permanent declins by the dollar and increased demand for the D-mark, could renew the strains from which the EMS and currencies such as the franc have EMS EUROPEAN CURRENCY UNIT RATES cles such as the franc have suffered from time to time.

The frame was generally firm of the Paris fixing, but eased slightly against the D-mark. The dollar fell sharply to FFr 7.8760 from FFr 7.9440, while sterling declined to FFr 12.08 from FFr 12.11t0, and the Swiss frame to FFr 3.6872 from FFr 3.7013. On the other hand the D-mark rose to FFr 3.0089 from FFr 3.0083.

sod rumours about problems over Brasilian debt repsyments,

S)erling was fixed at DM 4.0140, and the Swiss franc at DM 1.2294.

CURRENCYMOVEMENTS CURRENCY RATES 28,10 28,40 80,80 91,60 14,89 14,53 12,02,19,14 4,004,04 2573,2413 071,670 4,47,4,56 11,24 11,34 162 200 919,9540 11,84,11,94 8,2014,3,2214 Austrian sonning,
Baigian franc. ....
Danish kroner ....
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Franch Irano ..... Sased on trade weighted changes from Weshington agreement Oscamber 1971.

THE DOLLAR SPOT AND FORWARD

Belgian rate is for convertible france, Finencial franc 63,205-53,305.

#### **EXCHANGE CROSS RATES**

-	r :		***											
:	25%	212	3	Aug. 23	Pound Stirting	U,S, Dollar	Deutschem'k	JapanoseYen	FranchFranc;	Swigs Franc	Dutch Gulld	Italian Lira	Canada Dollar	Balgian Franc
	Marin Marin Marin	22.3	文] 译	Pound Sterling U.S. Dollar	0.654	1,529	4.025 2,632	372.0. 246.3	1e.115 7,925	3,270 2,142 ' "	4,485 2,955	2396. 1567,	1.862 1,651	80.60 52.71
Ë	2.1	1423 3	2.5	Deutschmark Jepanese Yen 1,000	9.248 2,688	0,380 4,110	10.88	92.42 1000,	5.010 52,67	0.814 8.804	2.114 42.06	090,3 6441,	0,468 5,059	29.92 216.7
-	Sugaa arniv		٦١٠:	French Franc 10 Swiss Franc	0.800 0.805	1.262 0.467	8,822 1,229	807.1 113.8	10. 3.899	2.703	2,702 2,858	1978. 731,6	1,95ă 0,975	56.53 34.51
į	Sect	Core 13.3 13.5	#2 10.2	Dutch Guilder Italian Lira 2,000	0,223 0,417	0,341 0,688	0,897 1,690	82.94 150,3	2,701 9,059	0,730 1,867	1.872	534,2 1000,	0,420 0,785	17,97 55,64
1	iga Masa	. 53 77	21 23	Canadian Dollar Belgian Franc 100	0.581 1,241	0,812 1,897	8.139 4.994	197,7 461,5	8.d37 15.03	1,740 4.055	9,383 5,565	1273. 2973,	9,855	48,83 100.

#### **MONEY MARKETS**

### London rates continue to ease

days maturity) at 9% per cent; £2m hank hills to baod 3 (34-63 days) at 9% per cent; and £14m hank hills to haod 4 (64-84 deys)

22	TOHWOIL 16	ites co	HILLING	i i	U						
Sandara	Fixed period interest rates continued to ease in the London money market yesterday, following a further decline in Eurodollar rates.  The Bank of England forecast a market credit shortage of £100m, but gave help of only £57m through outright purchases of hank hills.  Bills maturing lo efficial hands, the repayment of any late assisty hills from Friday's tender	ing to 12‡ per oper cent. Goomo to 12½ per ceot ecot, while three mooth were uoe per ceot and 1 In Zorich the banks have raised LONDON MO	ay's fall, declin coot from 124 ooth money fel from 123 per month and six haoged at 123 124s per ceo major Swist their foteres	41 per- from the free for mole years, a tes fr Medium major thanks.	tree to eifrom to ofte a rise turlties from the offer and to per om six to term of source of Rates were	all metroght years morrow.  of i per cent for more eight of the province province for elast income and the province province province province income and the province income	urities, with This To five naturi- years. ide a or the reased	to be suiting Eur In Ar coodities mooey frem 51- month r cent from month t	of line romarket nsterdam reduce rate to 6 per cerate fall m 5 per	with correction yields a caster easter to 51-51 prot, with ing to er ceut, a ceot fr	credit vernight er ceot the soc- 512 per and six- om 62
	drained £127m, while Exchequer transactions absorbed another £60m. These were partly offset	Aug. 23 Certif 1983 of de	icate Interbank	Local Authority deposits	negotiable bends	House	Company	Discount Market Deposits	Trensury	Eligible Bank Bills &	Fine Trade Blitt &
Language (A)	by a fall to the pote circulation of £50m.  The authorities did oot operate in the market during the marnios, but after lunch hought £40m hank bills to baod 1 (up to 14 days maturity) at 9% per cent; £3m hank hills to baod 3 (34-63 days) at 9% per cent; and £14m		9 9 9 9 9 9 9 9 9 9 9 9 9 9 9 9 9 9 9	9 914 914 959 81c 959 10 19	19.954 10.954 10.954 10.12.978 10.914 10.51.1014	95a 95a 95t 105 105		854.954 910.924 914 919		9ta 9ta 9ta 9ta 9ta 9ta 9ta	1018 1914 10 10 10,14

hank hills to hand 4 (64-84 deys) at 9] per ceot.
On the Cootiocot fixed period interest rates wore firmer in the continuous and Zurich, but showed an easter trend to Paris and Amsterdam.
In Frankfort overnight moory was unchanged at 5.025 per cent.
With one-mooth rising to 5.40

ECGO Fixed Rate Expert Scheme IV. Average Rate for interest period outly to require the cent. Local sutherities and finance houses seven days notice, others seven days fixed, Long-term local sutherity mortgage or cent. The continuous action of the cent. Supply rate for cent. Suying rate for four months benk bills 345 per cent; lour menths treds bills 104x per cent. Approximate selling rate for one month Tressury bills 345 per cent; two menths 345 per cent and three months 345 per cent. Approximate selling must be rene menth benk bilts 345 per cent; two menths 345 per cent and three months 345 per cent. Approximate selling must be rene menth benk bilts 345 per cent; two menths 345 per cent and three months 345 per cent and three months 345 per cent. Approximate selling must be rene menth benk bilts 345 per cent; two menths 345 per cent and three months 345 per cent. Approximate selling must be rene menth benk bilts 345 per cent; two menths 345 per cent and three months 345 per cent. Approximate selling must be rene menth benk bilts 345 per cent; two menths 345 per cent and three months 345 per cent. Approximate selling must be rene menth benk bilts 345 per cent; two menths 345 per cent; two menths 345 per cent; two menths 345 per cent and three menths 345 per cent a ECGO Fixed Rate Export Scheme IV. Average Rate for interest period July 5 to August 2 1983 (inclusive) 9 989 showed an easker treed to Park and Amsterdam.

In Frankfort overnight mesey was unchanged at 5.025 per cent, with one-month rising to 5.40 per cent; three-month rising to 5.40 per cent; three-month to 5.65 per cent; three-month to 5.65 per cent; three-month to 5.65 per cent; and six month to 6.05 per cent from the six per cent. Approximate selling must be non-month bank bills 9½ per cent; two months 9½ per cent; two months 9½ per cent into month 9½ per cent; two months 9½ per cent into month 9½ per cent; two months 9½ per cent into month 9½ per cent; two months 9½ per cent into month 9½ per cent; two months 9½ per cent into month 9½ per cent; two months 9½ per cent into month 9½ per cent; two months 9½ per cent into month 9½ per cent; two months 9½ per cent into month 9½ per cent; two months 9½ per cent into month 9½ per cent; two months 9½ per cent into month 9½ per cent; two months 9½ per cent; two mont

#### INTEREST RATES

**EURO-CURRENCY INTEREST RATES** (Market closing rates)

25 .guA	Short	7 days notice	Month	Three Menins	Six Months	Ons Ysar
tellen Lira Beig. Franc Conv Yan	95.0½ 95.95. 85.95. 05.56. 178.95. 41.41. 15.161. 71.81. 8.81. 5.4.103. 93.91.	9 1 9 1 5 9 1 5 9 1 5 9 1 5 9 1 5 1 2 5 5 4 7 5 6 7 5	9% 9½ 9% 9⅓ 8½ 9⅓ 5% 5⅓ 411-5 19½ 12¾ 157: 17% 8148¼ 5% 5⅓ 9¼ 9¼	9 /2 9 /3 9 /3 10 /3 9 /4 9 /4 5 5 /4 5 5 /4 14 14 14 14 17 12 16 8 19 9 14 558 5 /4 10 10 /3 10 10 /3	10-101s 104s 105s 95s-10 61s-54s 414.44t 95s-515 155s-161s 185s-187s 914-93s 61t-91s 90s-191s	10% 10½ 10 % 19¼ 10 % 19¼ 5½ 5½ 4½ 4½ 10½ 16¾ 10½ 16¾ 19½ 20 9¾ 10¼ 19½ 11 19½ 11 19½ 11

FT LONDON INTERBANK FIXING

11,00 a.m. AUGUST	T 25)		
6 menth U	.s. dollars	. ê month	U.S. dollare
bid 9 15/18	offer 10 tife	bld 10 5;19	offer 107/16

The fixing miss are the enthmetic means, rounded to thin nearest greatizenth of the bid and offered rates for 510m quoted by the market to five reference banks at 11 am each working day. The banks are National Westminster Sank, Sank of Tokyo, Coutsche Bank, Banque Nationale de Pails and Morgan Guaranty Trust.

`**`** 

Fed funda (lunch-time) 9 Tmesury bills (13-week) 9	1 1-9- 1-10 1-31	NETHERLANDS Olscount tate Overnight rate One month Three months	4½ 5½ 5½ 5½-5½ 6-8½ 0½-8½
Ovarnight raid	.9 .025 .40 .65	S CERTIFICATES OF E	9.55-9.60 9.75-9.80 10.10-19 19.35-10
Ovemions rete 12	2.28 2.25 2.3126	Two years	113-12 12-124 123-125 123-125

Oscount rate ......... 5.5 Call (unconditional) ... 9.34375 Bill discount (3-month) 6.71875 ECU LINKED DEPOSITS

SDR LINKED DEPOSITS

### softer tone

to 89.54 at the close, compared

102-15, compared with 103-00 on

Liffe troding remained con-centrated on September, but the December contract also weak-ened, after opening little changed at 104-10, but chosing at 102-25, compared with 104-09 on Mondey.

Monday The late improvement by

sterling on the foreign cychanges failed to influence the

short sterling interest rate con-

tract, where prices declined to line with gills and Eurodollars.

U S TREASURY BONDS (CBT) 8°= \$100,000 32nds of 100%

U.S TREASURY BILLS (MAN)

STERLING (IMT) SA SW E

GNMA (CBT) 8% \$100,000 32nds of 100%

66-09 66-09

125,000 8 per DM

Cloes High Low Prev
1 9,3615 0,3824 0,3816 0,3809 Dec
0,3962 0,3877 0,3860 0,3853 March
ch 9,3834 — 0,3834 June
13 (180). Sept
vious day's open int. 559 (596). Dec

Close High Low Prev 0.4994 0.4715 0.4894 0.4674 0.4784 — 0.4740

Close High Low Prev 0,4130 0,4135 0,4130 0,d122 0,4167 0,4177 0,4167 0,4163

JAPANESE YEN Y12.5m S per Y100

CHICAGO

softer tone on the London Interlational Financial Futures
Exchange yesterday, despite 9
continued downward treod in interest rates on the cash oarket.

Hopes of another minus figure 9t the weekly U.S. M1 money

compared with DM 26402 on Monday. This was the lowest fix-ing slore July 26, and fullowed luwer Eurodollar interest rates. Hopes of another minus figure of the weekly U.S. M1 money supply announcement took further pressure off Eurodoliar and sterling interest rates, but s sleedy opening of the New York Federal funds rate at 91 per cost, and a Chicago Euro-dollar start in line with expec-tations tended to take the steam out of the market.

FRENCH FRANC — Trading range against the dotlar lo 1982 is 8.22 to 6.6060. July overage 7.7826. Trade-weighted index 68.2 against 74.1 six months ago. With September Eurodollars ocaring settlemeoi interest continued in concentrate in the December month, which opened stightly firmer at 89.63, but fell LONDON

> THREE-MONTH EURODOLLAR \$1m points of 100%

20-YEAR 12", NOTIONAL GILT E50,000 32nds of 100". ### Closs High Low Prev Sept 1.5290 1.5360 1.5265 1.5295 1

Aug 23	Day's spread	Close	One month	p.s.	Three	P-1
UK†	1.5236-1.6386	1.5286-1.5286	9.04-0.09c dia	-9.91	0.15-0.20dis	-0.4
ireiand1	1,1990-1.2060	1,1986-1.2005	0.39-Q 34s pm	3.63	1,00-0.90 am	3.1
Canada	1.2305-1.2319	1.2310-1,2315	0.08-0 06c gm		0.22-0.19 pm	
Nathind.	2.9260-2.9450	2.9430-2.8460	1.06-0.96a pm		2.96-2 86 pm	
Balgiuel	52.46-52.75	62.73-52.76	7-5c pm		17-13's pm	1.1
Donmark	9,4196-9,4750	9.4676-9.4725	1.35-0.85ore pm		4,50-4,00 pm	
W. Ger.	2.6136-2.6300	2.6320-2.6330	1.10-1.06of pm		3.10-3.06 pm	
Portugel	121,26-122,00	121.66-121.96	100-276c die		300-760 dia	-17.4
Soun	148.30-149.00	148,80-148,00	200-245a dis			-19.5
Italy	1,562-1,569	1,5671-1,5681-			29-30 drs	-7.5
Nerwsy	7,3560-7,3600	7.3725-7.3775	1,50-1,80ore die		4.60-4.90dis	-2.5
France	7.8700-7.9400	7,9250-7,9300	1.90-2.10c dis		8.10-8.50dis	-d.3
Sweden	7.7540-7.7850	7.7725-7.7776	1.10-1.30ore dia		2.20-2.40dle	-1.3
Japan	241.86-243.80	243.25-243.36	0.75-0.68y pm		2.10-2.00pm	3.3
Austria	1B.30-1B.46	10.47-1B.48	7.30-6.50gro pm		21-1812 am	4.3
Switz.	2.1250-2.1435	2,1406-2,1415	1.03-0.97c pm		2.97-2.92 pm	
† UK	end Ireland .	re quoted in U			Dremiume an	
			r and nel to th	e indivi	dual cuttenc	٧,

## Trade in any Agency Card and save up to 10p

### a gallon on petrol and diesel fuel.

66-09

66-16

If you are running your fleet with conventional Agency Cards you must be paying up to 10p a gallon more than pump prices.

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12,500,000 Sills from 24th August
1983 to 23-8 November 1983 at 8144
1984 discount. Applications £36,500,000

CLUBS

#### CONTRACTS AND TENDERS

### OIL & NATURAL GAS COMMISSION

(DEPARTMENT OF MATERIALS MANAGEMENT)

GRAM: 'COMSTORE' TELEX NO. 0595-206, 207 & 255 Oil & Nacural Ges Commission, Tel Bhavan, Dehra Dun invites

sealed cenders for import of items specified below against each: Rs.43.00 Rs.300 27.8.83 Rs.83.95 Rs 1.000 30.8.03 MAT/IMPIZ-III Storage 31212IIBS Diciliose

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available at the fellowing efficial and will be issued between t400 heurs and t500 heurs on all working days from the dere of publication of tender.

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4. Ohcer-in-Charge
Oil & Natural Gea Commission
T&S Office, Asia Publishing Heuse
Celicut Street, Ballard Estate, 9embay-400009.
5. Oy, Oitecter (5&P)
Oil & Natural Gas Commission
Madree Forward Besc. CSI Building
226 Cetherral Road, Medree-600086.
Ne tender will be astd on or sites closing data shown spainst each tendem mentioned above.
Seeled tender in Unplicate subscribing Tender Ne., closing and opening date on the anvelope, should be addressed to the General Manager (MM).
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U.S. Collars equivalent to Indian Rupeas through a Bank Graft drawn in levour of Oil & Natural Gas Commission along with their effect. Tenders received from fornign suppliers without compliance and show instructions will be rejected.

The cost of tenders paid to the Commission by sutherless agents for shtaining teader documents for their principals is reimbursable provided the oldst from foreign suppliers are received in his office as per lost nucleus mentioned harsing before a received in his office as per lost nucleus mentioned harsing before a received in his office as per lost nucleus mentioned harsing before the cost of the cost from toreign suppliers are received in his office as per lost nucleus mentioned harsing before the cost of the cost

By Peter Montagnon

CAISSE Centrale de Cooperation Economique, France's state over-seas development agency, yester-day launched a \$75m bond in the Euromarket, the first straight Euro dollar bond for a month and the

May.

Initial reactions to the bond. which beers a coupon of 12% per er muted, but by yesterday after-noon the 12-year paper was begin-ning to move slowly and Paribas, which is leading the issue alongside Goldman Sachs and Salomon Brothers, quoted the bonds at a discount of 1% exactly equivalent to the selling concession and under-

writing fee.
Paribas said last night that the
borrower felt the time was right for the deal in view of a shortage of supply of new paper that has built up in the market over the past month. Last week's sharp rises in secondary market prices have speculation over a re sumption of new issue business.

But yesterday some of the steam seemed to have gone out of the secondary market and prices shed early gains to close little changed on the day. Much attention still focuses on warrant issues, which allow investors to enter the market without putting up much cash at a time when the dollar is still strong in exchange markets.

Household Finance International has, for example, launched an issue of 100,000 warrants to purchase a series of 11% per cent bond due in 1990 between March 1 and December 1 1985. The new bonds may be used to refinance an existing issue of 15 per cent bonds due in 1988 which can be called early from December, 1985. Orion Royal Bank is the sole lead of the issue, and has priced the warrants at \$18.

Part of the current thinking behind warrant issues is that the dollar may fall before the exercise period expires and investors will be able to enjoy high rates of interest without a currency loss. Similarly there has been growing interest insome other currency sectors for exchange rate reasons, with Farm Credit Corp of Canada's issue in creased for the second time yesterday to C\$75m from C\$60m.

Yesterday also saw the launch of a £30m, partly paid 25 year buildog for Cigna, the U.S. insurance and financial services concern. The issue will be priced today at a premium of 200 basis points over British Gov-ernment stock maturing in 2004/08. On the basis of yesterday's price this would give a yield of around 13 per cent. The issue is payable up to 30 per cent immediately, with the balance due nn September 23 and led by Morgan Grenfell and Morgan Guaranty.

'In Switzerland GTE Finance is raising 584m through a dual currency bond led by Soditic. The borrower has adopted a formula already used by names such as IC Indus tries and Transamerica whereby payment for the bonds is due in Swiss francs but redemption is made in U.S. currency.

. In the GTE deal investors will receive interest at 7% per cent in Swiss francs for each SwFr 5,000 bond, which will be worth exactly \$3,000 when redemption takes place in ten years time. This means that investors will be protected against any fall in the dollar down to SwFr 1.68 but stand to lose capital if the rate moves lower still. In return for this limited currency risk they receive interest some two points high-er than on a conventional Swiss

Previous issues on this basis have proved popular with Swiss investors anxious to diversify partially into U.S. currency bonds and currently stand at substantial premia of around 20 per cent over their is sue price.

The Swiss bond market itself slipped slightly yesterday in lack-lustre trading as banks announced an increase of up to % point in me-dium term note rates. Credit Suisse did, however, announce a new SwFr 100m, eight-year issue for Tokyo Electric with an indicated coupon of 5% per cent.

In Germany, where bond prices were little changed, the World Bank launched a DM 300m, six year bond with a coupon of 7% per cent and issue price par through Deutsche Bank.

#### Management moves at Chicago bank

CONTINENTAL Illinois, the Chica go bank which is recovering from heavy losses it incurred last year as a result of its involvement with the failed Penn Square Bank, an-nounced a major strengthening of its senior management team, writes Our New York Staff.

Mr David Taylor, the group's treasurer and head of its bond operations, has been appointed a vice chairman and given a seat on the board. In addition, Mr Edward Bothim, was currently heads the trust and investment service division has been appointed as director and will head the general banking division on the retirement of Mr Edward Cummings later this year.

### Belgrade debt accord cleared

YUGOSLAVIA has paid \$1.9bn in interest and principal due this year on its large foreign debt, clearing the way for it to sign a \$2bn re-kovic, the deputy governor, told the

The payments covered up to date

scheduling agreement with commercial banks in New York on Saturday, the deputy governor of the Yugoslav national bank said yesterday. David Buchan writes in London. tors are the International Monetary Fund, the World Bank, some 15 interest on all foreign commercial Western governments, and the several times before

to reschedule \$1 the of Yugoslavit's medium and long-term debt matur

tain their short-term ci goslavia

### FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices which is published monthly. The

following are closing prices for August 23.								
R.S. DGLLAR	٠.			Char	198 OR ',			
STRAIGHTS	) temp	è Bid	931/4	dev'	I HERE	Timbe		
Amex 0/S Fin 1814 98	100	82*4	931/4		+1	11.89		
Bank of America 8 88 XW	15 <b>0</b> †	851/4		+1	+8%	12.31		
Back of Tokyo Hotel 11 80	100	941/2		+84	+8%	12.28		
British Col Hyd. 1844. 88	200 ·	1674	<b>\$7</b> 14	+84	+1%	11.05		
CCCE 11% 87 CLBC 11 00	100	94%		+84	+124	12.55	•	
C.L.B.C. 11 00	75	81%	3248	-OW	-81/2	12.79		
Citicorp C/S 104z 00	100 .	. 81%			+1%			
Coca Cole Int 874s 92	100.	85%			-0%			
Cred Suisse BAH 10 Vz 90	150	55%	95%			11.45	•	
Credit Suisse 101/2 89	180	95V4		0	.+04			
Den Morsk Cred 11 Vs 93	50	92%				12.53		
Do Pont 1114 95	150	<b>97%</b>		8	+0%			
E.C.S.C. 11% 80	75	99	981/2	+81/2	+11/2	12.03		
E.D.C. 1094 88	180	974¢			ı ÷11/s			
ERC 1134 87	100	5574	10014	+84	+8%	11.72		
ED.F. 11 14 93 EEC. 1074 95	100	811/2	82	S	+8%	12.52		
F.F.C. 1034-95	75	90	801/2	+81/4	+0%	12.35		
E.E.C. 11 87	350	27%	\$5%s	0	+35/2	11.51		
FLR 1094 93	200	0214			+17/4	12.08		
ELB. 1094 93 ELB. 11 91	125	94%	00 Vs		+11/2		,	
Electrolaz 18½ 90	50	921/4	97%		+87%	12.18		
Enserch Fig 11% 93	198	92%	93%		+01/2	12.88		
5.5 Les De 4004 00	100	81%	217/2	i	+472	12.77		
Feij Let Re 107/s 20 Gen Bec Credia 944 61	120	257			+842	11.83		
PRU DEC PLEM S-44 PL		95	851/2	+81/s	+842	11.55		
GMAC D/S Fin 101/2 98	200	98%		10 14	+1			
Honeywell Int 10% 00	180			+8%	+1	11.42		
Indust Bk Japan 1976 88	100	9514	8674		+8%	11.85		
Japan Air Lines 107/a 68	42	897	301/4		+1	12.34		
Japan Air Lines 11 93	75	94	841/2		+11/8	12.0t		
J. P. Maryan 114's 00 XW	150	9714			+0+4	11.92		
Levi Stramss Int 11 90	7 <b>8</b> ·	94%	35 Vs		+81/2	12.13		
LT.C.B. 1034 90	100	8154	02.Ve	+814	+87k	12.50		
Memil Lynch 101/s 99 Midland int Fis 11 Vs 92	200	32%		0	+6%.	12.19		
Midland Int Fig 11 1/2 92	150		9514	8	+874	12.24	•	
Witsahiski Corp 18 Vz 90	100	92Va	5244	+61/6	+874	12.28		
Miterobishi Fin 117/s 90	100	\$5½	95%		+11/0	12.40		
Nigpon Credit 11 90	100	817h	927/8		+01/4	12.78		
Kinnen Credit 11 Vz 93	100 .	931/4	931/4		+814	12.45		
D.K.B. 10 61	100	8954	901/8	+81/2		12.87		
Outario Hydro 18V4-90	250	93	831/2		+17/2	11.73		
Ontario Flydre 111/4 89	200		1061/4		+174			
Interio Unios 1734 02	200	10374	1841/-		+23/2	11.99		
Interio Hydro 1234-82 Productial O/S 104s 93	100	84%		01/-	+11/2		•	
Pradential O/S 1234 87	150	10435			+114	11.11	:	
780000 U/3 1274 8/	108	94 .	9914	+8%		11.51		
Dumber Hydro 111/2 92 0 Saskatchewan Pr 103/4 00		947/2					٠.	
SERVERCHENSEL LA I FAME FOR "	125		25%	+81/2		11.83	:	
M.C.F. 111/2 93	100	35Va			+11/2	12.13	•	
Sth Cal Edison 181/2 90	76	941/4	2474	6		11.70		
Suguitareo Fin 10% CC	100 .	9134	<b>32</b> 1/4	+07/8		12.71.	٠.	
Swies Bk Corp 101/4 90	125	\$57/e		-01/5	3	15.22	•	
ecoco Capital 974 98	150	32 <del>7/e</del>	83Ve	+07/4	+114	11-32	``	
J.B.S. 10 88	100	9674	27%	-0%	+972	18.82	•	
J.R.S. 11 89	150	100% 1	1013/		+114	16.72		
Vestore let Fig 11 80	1001	91	82	-81/2		12.94	•	
World Rack 103/e 88	150	001/2	26		+85%			
Marki Renk 107/e 93	100	2376	9474	4834		11.31		
Model Read 11 Ve 98	100	25%	961/4	-1154	+1%	11.71		
J.B.S. 10 88	4 no de	1/-	-	17/4				
Carl Service overside:		1 7 700		1.44				

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O.F.C.E. 27½ 90
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Deng 1cf Nac Esp 8 ½ 93
Dentsche Bank 37½ 81 WW
Drasdner Finance 4 90 WW
Oresdner Finance 4 90 WW
Drasdner Finance 4 90 WW 981/2 99 -01/2 -81/6 8.24 97 971/2 +81/4 +81/6 8.54 981/6 981/6 0 0 8.49 981/6 981/6 +01/6 +81/6 8.36 981/6 981/6 8 9 7.57 001/6 871/6 8 9 7.57 981/6 981/6 -8 +81/6 8.84 day -1/6, on mock +1/6 S.D.S. France 77/a 93
S.D.S. France 77/a 93
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World Bank 71/2 90
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Ne information available-previous day's price.
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traight Bends. The yield to nudespains of the mis-price; the assumt issued is in militate of contency units except for Yes bonds where it is in billions. Change on week — Change over price a week antier.

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Committie boards. Denominated in dollars unless otherwise indicated. Cop. day

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— Nominal abound of bond ser share expressed in currency of share at conmarsion rate flowed at issue. Prem — Parawatage premium of the current effective price of acquiring shares via the board over the most recent price of the

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The Distillers Company, Limited (a Delaware Corporation)

has acquired the assets and business of

**Concannon Winery Corporation Concannon Vineyards Corporation** 

The undersigned acted as financial advisor to The Distillers Company, Limited and assisted in negotiating and structuring this transaction.

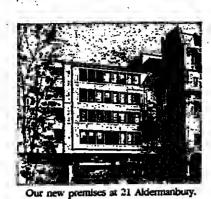


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Counseling Department

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A copy of this document (certified by the Acting Chairman and two members of the Executive Board as having been approved by resolution of the

# Rights Issue

With the consent of the Supervisory Board, the Executive Board of our company has decided to make use of the authority (authorised capital) permitted by the Articles of Association to increase the share capital by DM 115,000,000 to DM 2,171,482,200 by the issue all new bearer shares with tull entitlement to dividends in respect of the year ending 31st December 1983. A bank consortium led by the Deutsche Bank Aktiengesellschaft, Frankfurt am Main, has laken up the new shares with the obligation in after them in our share-holders for subscription in the ratio of one naw share for every 18 shares held at a price of DM 135 for every DM 50 shara.

Executive Board) has been delivered to the Registratof Companies for registration

After the execution of tha capital increase has been entared in the Commercial Register, we request our shareholders to avoid exclusion from exercising their subscription right by presenting dividend coupon no. 40 of the old shares at an agency for the receipt of applications during normal working hours on the days of 5th - 19th September 1983 inclusive Agencies for tha receipt of applications are the following named domestic and foreign credit institutions.

> Banque Paribas, Paris Banque Nationale de Paris, Paris Credit du Nord, Paris

Crédil Lyonnais, Pans Lazard Freres et Cis., Paris

L'Européenne de Banque, Paris Societe Generale, Paris

Kleinwort, Benson Limited, London

S.G. Warburg & Co. Ltd., London

Creditanslatt-Bankverein, Vienna

Algemene Bank Nederland N.V., Amsterdam Amsterdam-Rotterdam Bank N.V.,

Schweizensche Kreditanstsit, Zurich

West Germany Deutscha Bank Aktiengesellschaft Deutsche Bank Berlin Aktiengesellschaft Bankhaus H. Aufhauser Baden-Württembergische Bank

Aktiengeselischati Badische Kommunale Landesbank – Gırozenirale – Bank für Handel und Industrie Bayensche Hypotheken- und Wechsel-Bank Bayensche Landesbank Girozentrale Baverische Vereinsbank Aktiengesellscheft Berliner Commerzbank Aktiengesellschah Berliner Handels- und Frankfurter Bank Bankhaus Gebruder Bethmann Commerzbank Aktiengesellschaft Delbruck & Co.

Deutsche Landerbank Aktiengesellschaft DG Bank Deutsche Genossenschaftsbank Dresdner Bank Aktiengesellschaft Hamburgische Landesbank ~ Girozentrale Georg Hauck & Sohn Bankiers KGaA Hessische Landesbank – Girozentrele – Landesbank Rheinland-Pfalz – Girozentrale –

change al correspondence will ensue.

reference number 515100.

For every 18 old shares of DM 50, shareholders may obtain

one new share of DM 50 at a price of DM 135 free of stock

exchange turnover tax. The subscription price is to be paid on

application tar the subscription, at the latest by 19th Septem-

The subscription rights (security reference np. 515108) will be

traded and afficially quoted on all German slock exchanges between 5th - 15th September 1983 inclusiva. The agencies

for the receipt of applications are prepared to arrange like buying and selling all subscription rights in accordance with the rules of the stock exchange.

The usual bank commission will be charged for the subscription except when application tor subscription is made against the presentation by the subscriber of dividend coupon no. 40 at the counter of an agancy for the receipt of applications during normal working hours, in which event no further ex-

The new shares are documented by a collective certificate

deposited at the appropriate security clearing association. The subscribers will be given a credit to the giro-transferable

collective security deposit account, Individual certificates will

be available on request. The new shares bear the securities

Belgium: Kredietbank N.V., Brussels Banque de Paris et des Pays-Bas Belgique S.A., Brussels

Deutsche Bank Saar Aktiengesellschaft

Landesbank Schleswig-Holstein

Norddeutsche Landesbank Girozentrale
 Sat. Oppenham µ. & Cie.
 Schroder, Munchimeyer, Hengst & Co.
 Trinkaus & Burkhardt

Vereins- und Westbank Aktiengesellschaft M.M. Warburg-Billinckmann, Wirtz & Co.

Westdeutsche Landesbank Girozantiale
Westdeutsche Landesbank Girozantiale
Westdenbank Aktiengesellschaft
Wurttembergische Kommunale Landesbank
- Girozentrale –
Commerz-Credit-Bank AG Europartner

B. Metzler seel, Sohn & Co.

- Girozentrale -Merck, Finck & Co. Metallbank GmbH

Schweizensche Bankgesellschaft, Zurich Schweizenschei Bankgerein, Basie Schweizerische Volksbank, Berne Application has been made for the admission of the new shares to dealing and quolation on all German atock exchan-

The Netherlands:

ges as well as on the stock exchanges of Amstardam, Antwerp, Brussels, Basle, Geneva, Zunch, London, Paris and The option prices of DM 117.60 tor each 1.05 BASF shares from the axarcising of options from the bond certificates ni the Bi: % DM bonds with warrants attached of 1974/1986 of BASF Aktiengesellschaft, as well as the DM 133 for each one BASF share from the bond certificates of the 11% US\$ bonds with warrants attached at 1982/1988 of BASF Overzee N.V., remain unchanged, since according to the conditions of the warrants a reduction only occurs when the issue price of the new shares is below that at the option price.

Ludwigshalen, 23rd August 1983

The Executive Board

BASF Aktiengesellschaft D-6700 Ludwigshafen

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